

# AGRARIAN REFORM & POVERTY REDUCTION IN SOUTH AFRICA



**PHASE 2 RESEARCH REPORT**

**AGRARIAN REFORM & POVERTY REDUCTION IN SOUTH AFRICA:  
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## **Human Sciences Research Council**

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**Produced by:** Peter Jacobs,  
Tim Hart,  
Shirin Motala  
Charles Nhemachena

**Contact:** Dr Peter Jacobs  
Chief Research Specialist: EPD

**E-mail:** [pjacobs@hsrc.ac.za](mailto:pjacobs@hsrc.ac.za)

**Tel:** +27 21 466 7849

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## **ABBREVIATIONS AND ACRONYMS**

AALS	Affirmative Action Loan Scheme
CASP	Comprehensive Agricultural Support Programme
CRLR	Commission on Restitution of Land Rights
DLA	Department of Land Affairs
DAFF	Department of Agriculture Forestry and Fisheries
DRDLR	Department of Rural Development and Land Reform
GHS	General Household Survey
FURS	Farm Unit Resettlement Scheme
IES	Income and Expenditure Survey
MLAR	Market-Led Agrarian Reform
LRAD	Land Redistribution for Agricultural Development programme
LCS	Living Conditions Survey
NGO	Non-government Organisation
NIDS	National Income Dynamics Study
PDA	Provincial Departments of Agriculture
PLAAS	Institute for Poverty, Land and Agrarian Studies (formerly the Programme for Land and Agrarian Studies), University of the Western Cape.
PLAS	Proactive Land Acquisition Strategy
QoL	Quality of Life Survey
RECAP	National Rural Infrastructure Recapitalisation Programme
SLAG	Settlement and Land Acquisition Grant
StatsSA	Statistics South Africa
SSA	Sub-Saharan Africa

## **EXECUTIVE SUMMARY**

### **Background, purpose and conceptual approach**

This study investigates the role of agrarian reform in poverty reduction in South Africa, and explores strategies required to enhance its contribution to improving livelihoods in such a manner that poverty is reduced. There is qualified support for the proposition that agrarian reforms substantially reduce rural poverty. Disputes focus on whether such reforms ought to be pursued through more egalitarian land ownership (redistribution) or securing land-use rights (tenure reforms) for the landless. In practice there is no guarantee that reforms will actually improve the living standards of the rural poor.

Section 25 of the 1996 Constitution promotes land reform and mandates the state to implement the necessary actions to bring about equity in land distribution. The state adopted a target to transfer 30% of the country's land into black ownership through a three-pronged land reform programme: restitution, redistribution and tenure security.

In the first couple of years, agrarian reform involved the almost exclusive transfer of land with limited ad hoc support. The Provincial Departments of Agriculture were mandated in 2003/04 to coordinate or provide support to new black farmers and this was more formalised in the form of the Comprehensive Agricultural Support Programme (CASP) with its six pillars of support. Later in 2010 the newly formed DRDLR embarked on its extensive Recapitalisation Programme (RECAP), which aimed to address farm infrastructure shortages and breakages. The Proactive Land Acquisition Strategy (PLAS), introduced in 2006 as the main grant package to purchase and transfer farmland, required that recipient farmers make use of a mentor who would assist with production and market access.

Available evidence shows that land reform in South Africa has underperformed in terms of its own stated goals. The entire programme has transferred less than 10% of land to blacks in almost two decades- far below its initial land delivery target to put 30% of all white owned land in black ownership by 2014. There also exists a widespread perception that a small proportion of agricultural-based projects remain self-sustainable post-transfer. Large-scale underinvestment in land delivery and agricultural development support for land reform beneficiaries persist.

The evidence in this report sheds light on the nature of the relationships between agrarian reform and rural poverty reduction in order to learn lessons about the design of effective pro-poor agrarian policies. Secondary objectives include the following:

- To explore the factors that have impeded agrarian reforms in South Africa;
- To propose policy interventions on how agrarian reforms can contribute to reduction of both absolute and relative poverty in South Africa;

- To assess whether South Africa's current land reform programme in terms of land acquisition, land (re)distribution and land management contribute adequately to the land requirements of (significant proportions) of the poor;
- To assess the extent to which South Africa's current agricultural reform programmes provide adequate supports in terms of access to markets; extension services, credit/finance, capacity and skills development, infrastructure and basic services to newly established communities, particularly the poor;
- To examine whether South Africa's agrarian reform programme adequately provides social supports and physical infrastructure, including basic healthcare, primary education services, and water supply services, to poor communities.

Whatever benefits accrue to the rural poor as a result of agrarian restructuring depends on the content and scope of agrarian policies and the ways in which these are implemented. Implementation is probably the most crucial given the scope for the varied interpretations of policy into practice by the various actors involved.

It is also crucial to know the mechanisms or pathways through which reforms are likely to interact with poverty and to define meaningful indicators of human well-being as measures of impacts. If agrarian reforms directly reduce rural poverty, a longstanding yet inadequately tested claim, then it is crucial to investigate how this might explain contradictory evidence. The indirect routes could operate through at least four pathways - household food security, employment, agro-food markets and social service delivery - with institutional arrangements as a cross-cutter. This more nuanced conceptualisation highlights the complexity of the agrarian reform-rural poverty equation.

## **Research methodology**

Since its onset in the mid-1990s, South Africa's land and agrarian reform has stimulated a large volume of reviews and evaluations. This first wave of state-driven land reform assessments set out to inspect the internal design and content of varied land reform interventions. Overall, evaluation findings were particularly valuable to policymakers and implementers of land policies who thus got rapid feedback on how to improve programme implementation.

The occasional Quality of Life (QoL) land reform surveys set out to assess improvements in the living standards of beneficiaries post-settlement. It is a fundamental tool to evaluate the sustainability of livelihoods generated through land and agrarian reforms. The theoretical assumptions and methodological rigour of the QoL surveys have been questioned. It has failed to provide credible and informative data about land reform, let alone being a tool to evaluate if transferred land has been or could be sustaining agrarian-based livelihoods. Earlier intentions and subsequent recommendations to conduct the QoL on an annual basis have not been realised- the four completed studies are not easily accessible.

This study combines the strengths of purpose-built household surveys, focus groups and key informant interviews to collect information from land reform beneficiaries (with and without programmed agricultural development support) and other role players. Sampling followed a four stage stratified design to select farm households: provincial selection (limited recent research on land reform); district selection (concentrated distribution of land reform), project selection (land reform projects with and without programmed state-funded agricultural support in the form of CASP and RECAP) and random selection of beneficiary farm-households in projects.

The farm-household questionnaire has been designed to quantify the poverty or livelihoods impacts of agrarian reforms through several pathways as described in the conceptual section of the introduction. This was the main tool to collect primary data from two districts in three provinces: North West (Dr Ruth Segomotso Mompati and Ngaka Modiri Molema); KwaZulu-Natal (Zululand and uThukela); Western Cape (West Coast and Eden/Karoo). To allow for district level comparative analysis, with robust small-sample statistical properties the lower-bound of targeted sample was fixed at 75 farm households (100 upper-bound).

The realised sample included 301 land reform farm households, with highly uneven response rates across the six districts. Out of 286 valid observations, 119 households self-reported that they have received agricultural development support- which represents 41.61% of the valid sample. However, the relatively high shares of this category of farmers sampled North West (above 60%), is undoubtedly compensating for the KwaZulu-Natal shares which were in the order of 20%.

A number of obstacles beyond the control of the research team dictated the final sample and this inevitably influenced our findings. Firstly, poor quality administrative data collected and stored with the national and decentralised Monitoring and Evaluation units of the respective departments. Secondly, the restructuring of departments and reallocation of local administrative project oversight made the identification of farming projects practically impossible in some instances. Official data on state-aided farmland transfers and agricultural support are not easily accessible for research purposes.

## **Land!**

Land is construed as an idiom for the citizenship once denied to most South Africans. Restored or redistributed land appears, at least in theory, also hold out the promises of access to future livelihoods. Despite the lack of economic development or improved livelihoods, many focus group participants felt that they had at least benefitted by acquiring land that they exercised control over or had part ownership of. This meant that they had acquired another asset which they could use as they pleased – livestock grazing or small-scale crop production - and could also pass on their rights to this asset to their children. Others of course were less positive – perhaps more realistic – and felt that the land reform process needed a complete overhaul whereby subdivision took place and land was distributed according to one's needs.

Claims for the restitution of land had to be registered prior to December 1998, at which time a total of 63 455 restitution claims had been lodged. Only a tiny proportion was settled in the first few years. Most urban claims on residential and commercial land were settled by awarding financial compensation to successful applicants. Rural restitution claims only started to gain momentum after 2004 as they were procedurally more complicated and involved larger numbers of people and substantial hectares of land.

By the late 1990s progress in land redistribution was extremely slow and way below the proposed target. Also the viability of many of the redistribution projects was questioned. Most redistribution projects involved groups of applicants rather than individuals, as a result of the need to pool resources and the general unwillingness of the state and sellers to subdivide properties. Ultimately tensions and conflict arose within large groups who not only had to collectively work and manage the land but also had to pool their personal resources which were diverse given the heterogeneity of the groups. Subdivision was not encouraged and often beneficiaries were unaware of the possibility of this being undertaken formally.

More than half (55%) of all the respondent households received land via the LRAD distribution sub-programme. Receiving land through this mechanism is much more likely in the North West than in the other two provinces. Slightly more than a quarter (27%) of the respondents had received land by means of the SLAG redistribution sub-programme. Respondents in the Western Cape and KwaZulu-Natal were respectively three to four times more likely to have received land through this mechanism in contrast to peers in the North West. Despite its relative newness, both the Western Cape and the North West provided more respondent households with access to land through PLAS than is the case in KwaZulu Natal. The general slow pace of rural restitution can account for the relatively low proportion of restitution in contrast to other land transfer mechanisms.

Overall, slightly more than half (54%) of the respondent households indicated that men were more likely to own land distributed through the land reform process. Just less than a third of respondent households indicated that the land reform land was jointly owned by males and females in the households. More than half of the households held land through their male members. Only those households not receiving programmed agricultural development support were more likely to do so. A similar but less significant trend exists for those households that owned land exclusively through a female member. With respect to female and male co-ownership of redistributed land, we see that those households receiving programmed agricultural development support (ADS) were more likely to have land owned in this fashion. On average, at 72%, men are the largest group of non-land reform land owners. Slightly more men owned land from households that did not receive programmed agricultural development support than those in households who did: 73% versus 69%. The joint ownership of non-land reform portions suggests that households with programmed agricultural support were more likely to jointly own non-land reform land than those households who did not: 22% versus 13%.

On average 80% of beneficiary respondent households did not undergo formal subdivision. The greatest share of formal land subdivision (43%) was identified by the respondents in the North West.

Informal subdivision was on average minimal (3%) with similar figures of 4% being found in both the Western Cape and KwaZulu-Natal and none in the North West. 80% of respondent households did not subdivide their land. 88% of those household not receiving ADS did not subdivide their land compared to 66% who did receive ADS. Of the 17% of households that partook in formal subdivision, 9% of those not receiving ADS did so in contrast to the 32% of those receiving ADS. A greater proportion of households that received ADS were likely to formally subdivide redistributed land than those who did not get farmer support from government.

Most respondent households were helped by government officials to identify the transferred farmland. The DRDLR officials in the provinces helped about 41% of the respondents and the DAFF officials in the provinces 29%. In KwaZulu-Natal most respondents were helped by DRDLR officials to identify farmland. In the Western Cape the DRDLR assisted 15% of the respondents, while the DAFF assisted 31% and the former land owner helped 23%. In the North West DAFF provincial officials provided the greatest share of support in identifying farmland (50%), followed by the DRDLR (40%).

## **Rural Livelihoods**

Feedback from focus groups points to low levels of job creation on land reform farms. The reason provided in one KZN farm was that the beneficiaries lacked farming implements and equipment to undertake agricultural activities. The impact of share equity schemes, extensive in Western Cape land and agrarian reform, has been negligible. There is an urgent need to conduct a longer term study specifically exploring the employment potential of agrarian reform programmes.

The survey instrument asked for information about household expenditure against a list of “regular” household goods (food, clothing, energy etc.) and services (health care, transport, etc.) as well as Durable household items such as furniture and construction or equipment. This gives a meaningful indication of the resources at the disposal of the household and is a more reliable proxy for money-metric poverty analyses than income which is generally underreported in these settings. Durable expenditure is almost three times higher in the North West in comparison with Western Cape and more than 5 times higher than KwaZulu-Natal. Clearly this highly differentiated spending pattern suggests that farm households in the North West might own more assets than their counterparts in other provinces and this core livelihood source is driving their higher expenditure.

The expenditure patterns emerging reflect a well-known phenomenon of poor households spending more of their total income or expenditure on food than richer households. Poor rural households spend a larger share of their household expenditure on food than urban households although they spend less per person. In terms of the share of food spending against overall household spending the average food spend was 56.86% for WC, 55.61% for KwaZulu-Natal and 62,45% for North West. In contrast, the richest 20% of beneficiary households share of spending on food against the household budget was between 30- 33% in the three provinces- without any significant differences across provinces.

On average those beneficiaries with agricultural development support have expressed positive perceptions of the impact of the programme on their income and on reducing poverty. Just over a quarter of the beneficiaries indicated their perception that the situation had worsened arising from participation in the program. Overall, the findings reveal that land and agrarian reform interventions have not been largely redistributive or contributed significantly to reducing poverty and inequality and to transforming the livelihoods of land reform beneficiaries, particularly those in the Western Cape and KwaZulu-Natal.

## **Agriculture Development Support/Services**

South Africa currently has two overarching state-funded packages to assist land reform farmers: the Comprehensive Agricultural Support Programme (CASP) and the Land Reform Recapitalisation and Development Programme (RECAP). CASP, officially launched in 2004, falls under the DAFF, whereas the Department of Rural Development and Land Reform introduced RECAP in 2010. The main purpose behind state-investment in agricultural activities on redistributed farmland is self-evident and well-intentioned: it is a catalyst towards the optimal use of the transferred farm by the newly settled farmers. Throughout the post-apartheid period, the total share of South Africa's yearly public budget allocated to land reform and agricultural development support has been less than 3% per year. Compared to other African countries and the 2003 Maputo declaration, which pegs this share at 10% for each SADC member state, South Africa therefore spends a relatively small share of its budget on direct smallholder farmer assistance.

Roughly 41.6% of all sampled farm households- a headcount of 119- said that they have benefited from some form of programmed agricultural support. The Comprehensive Agricultural Support Programme (CASP) is clearly the main channel through which state-funded support is distributed to farm households who have obtained farmland through land reform. Overall, 85% of agricultural development support recipients reportedly received support through CASP compared to 10% who have benefited from the recently launched Land Reform Recapitalisation and Development [RECAP] Programme. Access to CASP-training support, ranked as the leading type of support service, is unevenly spread by province: about 54% for Western Cape, 37% for KwaZulu-Natal and less than 7% in North West. On-farm infrastructural support, with an average share of 28% beneficiary farmers, is more readily available to North West farmers than their counterparts in other provinces.

Under SLAG, 50% of households reportedly received training funded with the aid of CASP, compared to 30% who have received CASP-funded production inputs and 13% who have received infrastructural support. LRAD households were mainly allocated on-farm infrastructure (38.6%) and production inputs (28.6%). PLAS farmers are the dominant recipients of RECAP with almost 70% of them indicating that they have benefited from it. Approximately 76% of households indicated that they have benefited from at least on form of the agricultural support package from the government with another 20% indicating that they have received 2 types of support whilst 4% of household reportedly obtained more than 3 types of support.

Land reform farmers cited the Department of Agriculture as a leading supporter of farmland use and on-farm production but the responses are unevenly distributed across the three provinces. In contrast to the other two provinces, Western Cape land reform farmers are heavily depend on commercial farmer support, especially commercial farmers who had previously farmed on the transferred farmland, for on-farm agricultural activities. Despite this relatively small share of valid observations, for almost all types of water supply and built infrastructure, larger numbers and shares of farmers with agricultural development support tend to use the on-farm infrastructure than their counterparts without government farming assistance.

The low response rates for irrigation systems in North West, combined with the relatively high level of livestock ownership, suggests that land reform farmers in this province rarely engage in extensive crop farming. Western Cape farm households, on the other hand, settle on farms with capital intensive irrigation systems, whereas the highest share of farmers in the two KwaZulu-Natal districts mainly use handheld irrigation equipment. Another intriguing pattern emerges from a comparison of irrigation systems across the Western Cape and KwaZulu-Natal districts over time: investment in and use of the dominant irrigation systems in Western Cape tend to intensify post-settlement whereas the complete opposite situation prevails on land reform farms in KwaZulu-Natal.

Results suggest the average farmer receiving agricultural assistance from government might be slightly ahead of non-recipients in terms of selling farm outputs. A sizeable majority of farmers (well above 60%) are active in crop and livestock agriculture. However, farmers getting state-assistance are more actively engaged in agriculture (73%) than their counterparts without programmed farmer support (64%). What is of concern is that more than 25% of assisted farmers do not actively farm (less than 36% of inactive non-supported farmers). Reasons for not actively farming on transferred land require further investigation for more plausible and accurate explanations of group disparities.

The primary objective of some farmers is producing enough food for household consumption whereas others are driven by income generation and profitably objectives, which depends on the sale of agricultural produce. Overall, the relatively higher response rates for those who produce food for own consumption suggests that household food security considerations dominate the motivation of land reform farmers. Farmers without state-funded agricultural support use their produce either as the main or extra source of the household's food supply whereas those with support do so as a main or extra income source.

Except for 24% of farmers in North West who reportedly have been helped by DAFF, the shares of farmers in other provinces who have been assisted in getting a foothold in farm-output markets fall in the 5%-8% range. The departments of land reform and agriculture evidently play marginal roles in helping land reform farmers accessing agricultural output markets. Fewer farmers without support are building up their asset wealth in the form of large livestock units and there appears to have been a steep decline in sheep ownership: 81% of these farmers without support owned sheep when they settled on the land reform farmland compared to 33% at the time when they were visited by a data collector. Whilst results for farmers with government agricultural assistance show a similar pattern, the declines are less pronounced. On average, looking at own consumption, the average farmer

without agricultural support tends to consume a larger number of livestock units compared to their counterparts with the support. The average farm household with agricultural development support is marginally selling more livestock than the households without programmed support.

Three localised markets form the hubs of the most intensive crop sales: in local formal markets, direct sales to individuals in the local community and to informal traders. The miniscule number of number of farmers participating in national fresh produce markets and sales to supermarkets and agro-processing factories are all recipients of assistance from government. Land reform farmers without government farming support do not sell in any of these markets. Livestock sellers who receive agricultural support from government are the most active sellers in local formal markets, to individuals in the local communities and abattoirs. For farmers without support, the shares of livestock sellers fluctuate between 33% of sellers to abattoirs and to 77% who sell to individuals in the community.

## **Institutional dynamics /arrangements**

Core institutional issues of agrarian reforms in South Africa are discussed in Chapter 6 at three different levels: national, project/household and civil society. To contextualise this discussion of our survey results, the chapter begins by assessing how appropriate institutional arrangements contribute to agrarian development with special emphasis on documented South African experiences. Drawing on primary data collected in three case study provinces of North West, Western Cape and KwaZulu Natal, it then interrogates how insitutional arrangements and dynamics could have facilitated and or hindered contributions of the agrarian reform to the overall goal of poverty reduction.

Agrarian reform's institutional arrangements in post-apartheid South Africa have been characterised by fragmentation of service delivery within the three tiers of government. Criticism has been levelled against lack of clear institutional roles and responsibilities of the various departments. For example, post-settlement support for agrarian reform programmes/ projects has been marred by the general lack of co-ordination and communication between key government departments. Agricultural support programmes, implemented by provincial departments of agriculture, but these programmes appear to suffer from under-funding, poorly planning and generalised inefficaciousness. Performance of agrarian reform has been adversely impacted by lack of external support for collective landholding institutions such as CPAs and trusts.

Generally, the CPAs have not necessarily been a resounding success. While in some instances it has provided the community with *legal personae* and therefore a basis upon which to manage their land in accordance with corporate procedures, the CPA process has also been perceived as imposed and foreign. Two main types of constitutions were adopted for agrarian reform projects: (a) representing the entire group/trust (with title deed on the name of all beneficiaries), (b) representing the management committee (with title deed on the name of the management committee members). In

most cases, the actual beneficiaries/management committees present on the agrarian reform projects are different from the representative entity.

Findings from qualitative interviews with key informants (mainly government officials from national, provincial and district offices) showed that agrarian reform in South Africa has not performed to expectations. Agrarian reform in the country suffered from lack of clear institutional roles and responsibilities of the various departments. This has led to duplication of roles and responsibilities in some cases and sometimes infighting between departments. There were no clearly defined institutional mechanisms for project monitoring and evaluation, partly due to the lack of qualified personnel within government.

Democratic processes are generally followed in constitution development and implementation; leadership selection and general decision making. About 66% of the respondents reported that their constitutions were thoroughly discussed and understood by all members before implementation; however, only 51% in North West reported that this was the case. Seventy-four percent reported that leadership committee is always elected in a properly constituted meeting. Also about 65% reported that group decisions were reported to take place according to rules defined in the constitution. Farms with access to ADS are expected to follow democratic principles in their decision making and getting ADS may also reflect institutional arrangements of the groups. Those who are more organised have higher chances of getting ADS compared to those with no organised institutional structures.

More than 75% of the farms were run with Trusts and Community Property Associations. Key informants explained that the CPAs and trusts were faced with a number of administrative challenges that hindered productive use of land. Some of the issues reported include lack of technical capacity to productively run the land reform projects on the part of the CPAs.

Conflicts and group dynamics are one of the key institutional issues at the project level. About 31% of the respondents indicated that they had never experienced internal conflicts about their land reform projects. About 62% reported that they have always resolved conflicts about their land reform project and 23% reported that the issues are not always resolved. Government was reported to have failed to manage the conflicts among beneficiaries.

A remarkable institutional issue reported was the timing of disbursement of resources for farmers to timely plan and engage in production activities. District level key informants reported that sometimes due to the differences in the financial years between national government and the district there are issues of late disbursements of funds and other resources.

## **Conclusion- implications for policy**

This study was designed to offer a snapshot of the livelihoods impacts of post-apartheid agrarian interventions. The scope of this investigation has been restricted to the channels through which

government-driven land transfers and agricultural support improve living standards. Four main factors dictated this *a priori* limitation: the client's terms of reference (TOR), resource constraints, tight timeframes and poor quality administrative data on agrarian reform.

The evidence underscores two overarching findings with major implications for the future of government's agrarian reform project. Firstly, this study found a strong positive correlation between post-apartheid agrarian interventions and increasing polarisation among land reform beneficiaries across six rural districts. A smaller number of individual black farmers gain ownership of land and enjoy access to government financed support for on-farm production and participation in agricultural value chains beyond the farm gate. Secondly, the voices and decision making powers of 'land reform beneficiaries' rarely feature in either the development or implementation of agrarian policies. There is no evidence of bottom-up direct participation and broad-based empowerment usually expressed in policy statements.

At least four recommendations for urgent policy intervention:

**Recommendation 1:** Promote equitable agrarian reforms that meet the needs of the rural poor.

**Recommendation 2:** Directly involve resource-poor small farmers and landless farm workers in policy development and implementation.

**Recommendation 3:** Planned and tighter institutional interactions/coordination between the Departments of Land Reform (DRDLR) and Agriculture (DAFF).

**Recommendation 4:** Agrarian reform needs an integrated and sound M&E system supported by a regular nationally representative small farmer survey.

## **CHAPTER 1: INTRODUCTION**

Why is agrarian reform still so popular in developing countries in the 21<sup>st</sup> century - especially in rapidly modernising low-income countries? It is puzzling in the context of accelerated rural-to-urban migration and agriculture's shrinking contribution to economic growth. These dramatic changes partly confirm the irreversible decline in agrarian-based livelihoods. Yet agrarian policy reforms continue to be appealing for many reasons that derive from overlapping economic, socio-cultural and political causes. Socio-cultural and political reasons arguably constitute the most persuasive rationale: to redress historical injustices associated with land dispossession, to stem or preclude tides of violent conflict and political instability, etc. Deep rural poverty and extremely unequal distribution of agricultural resources also make a compelling case for agrarian reform in modern times. The redistribution of assets (particularly land) opens possibilities for human capital accumulation. This is considered to be helpful in breaking the intergenerational transmission of poverty, as farm-based households are able to invest in the education of their children but this is conditioned on how well other rural asset markets are developed and their efficient functioning (Deininger & Squire 1998; Deininger & Olinto 2001, Akram-Lohdi 2007).

There is qualified support for the proposition that agrarian reforms substantially reduce rural poverty. Disputes focus on whether such reforms ought to be pursued through more egalitarian land ownership (redistribution) or securing land-use rights (tenure reforms) for the landless. In practice there is no guarantee that reforms will actually improve the living standards of the rural poor, at least according to contradictory findings from extensive case study evidence (Hall 2009; Aliber *et al.* 2011; Van der Ploeg 2010; Moyo 2010; Akram-Lodhi & Kay 2010; Hebinck *et al.* 2011; Cliffe 2007; Enzinna 2010). This study investigates the role of agrarian reform in poverty reduction in South Africa, and explores strategies required to enhance its contribution to improving livelihoods in such a manner that poverty is reduced.

### **Research background and scope**

In post-apartheid South Africa, land reform is a priority on government's agenda and the 2009-2014 administration has elevated this as part of its agrarian reform and rural development strategy. Section 25 of the 1996 Constitution promotes land reform and mandates the state to implement the necessary actions to bring about equity in land distribution. The state adopted a target to transfer 30% of the country's land into black ownership through a three-pronged land reform programme: restitution, redistribution and tenure security. Restitution aims to restore or compensate victims for dispossessed land rights due to colonial expropriation and apartheid era forced removals. Land redistribution sets out to expand black landownership in which the state subsidises 'willing buyers' (blacks who demand land) to buy land from 'willing sellers' (typically white large-scale commercial farmers). Tenure reforms seek secured access to land for farm workers on commercial farms and rural households living under communal land allocation arrangements in the former homelands. Existing land policies cut across urban and rural (agrarian) landscapes.

In South Africa agrarian reform has occurred in stages as lessons have been learned. The first couple of years it involved the almost exclusive transfer of land with limited ad hoc support. Then, from 2001, the PDAs were mandated to coordinate or provide support to newly settled black farmers and this was more formalised in the form of the Comprehensive Agricultural Support Programme (CASP) with its six pillars of support: information and technology management; technical and advisory assistance and regulatory services; marketing and business development; training and capacity building; on/off-farm infrastructure and production inputs; and financial support. In practice the programme largely targets land reform beneficiaries but was intended to support all black farmers in South Africa. Later in 2010 the newly formed DRDLR embarked on its extensive Recapitalisation Programme (RECAP), which aimed to address farm infrastructure shortages and breakages. At the same time attempts to increase the beneficiaries' access to markets were stepped-up following the introduction of the Proactive Land Acquisition Strategy (PLAS) in 2006, which required recipient beneficiaries to make use of a mentor who would assist with production and market access. Throughout the period of land reform most of the land has been transferred without any subdivision despite continued lip service paid to the idea of smallholder farmers. Furthermore, and in contradiction to the idea of commercial smallholders recipients were encouraged, by means of the type of state support offered, to follow the previous owners' large scale land use patterns and farming systems.

Available evidence shows that land reform in South Africa has underperformed in terms of its own stated goals. The entire programme has transferred less than 10% of land to blacks in almost two decades- far below its initial land delivery target. Although we lack informative, reliable and comprehensive data on livelihoods improvements among land reform beneficiaries, the general perception is that a small proportion of agricultural-based projects remain self-sustainable post-transfer. Two interconnected sets of reasons account for this dismal performance. Experts question the model and vision of land reform arguing that the current willing seller willing buyer (or market-led agrarian reform) framework is an obstacle to pro-poor agrarian transformation and rural development. There has also been large-scale underinvestment in land delivery and agricultural development support for land reform beneficiaries - constraints perceived to be imposed by the market-based model because it limits state-activism.

Unresolved questions exist about the relationship between agrarian policy reforms (sometimes equated with land redistribution) and rural poverty reduction. This study sheds light on the nature of the relationships between agrarian reform and rural poverty reduction in order to learn lessons about the design of effective pro-poor agrarian policies. Secondary objectives include the following:

- To explore the factors that have impeded agrarian reforms in South Africa;
- To propose policy interventions on how agrarian reforms can contribute to reduction of both absolute and relative poverty in South Africa;
- To assess whether South Africa's current land reform programme in terms of land acquisition, land (re)distribution and land management contribute adequately to the land requirements of (significant proportions) of the poor;
- To assess the extent to which South Africa's current agricultural reform programmes provide adequate supports in terms of access to markets; extension services, credit/finance, capacity

and skills development, infrastructure and basic services to newly established communities, particularly the poor;

- To examine whether South Africa's agrarian reform programme adequately provides social supports and physical infrastructure, including basic healthcare, primary education services, and water supply services, to poor communities.

Whatever benefits accrue to the rural poor as a result of agrarian restructuring depends on the content and scope of agrarian policies and the ways in which these are implemented. Implementation is probably the most crucial given the scope for the varied interpretations of policy into practice by the various actors involved (Hart 2012). But it is also crucial to know the mechanisms or pathways through which reforms are likely to interact with poverty and to define meaningful indicators of human well-being as measures of impacts. This study maps at least four such pathways - household food security, employment, agro-food markets and social service delivery - with institutional arrangements as a cross-cutter. Such a conceptualisation highlights the complexity of the agrarian reform-rural poverty relationship.

### **Agrarian reform – historical and theoretical context**

This report situates agrarian reform in South Africa - past and present - in a wider historical and theoretical context. Historically, in both developed and underdeveloped countries, agrarian reform has been tied to how societies transition from predominantly rural political economies to modern industrial capitalism. This means resolving the agrarian question is part of broader structural change. Agrarian change rarely if ever takes place without the participation of the state - either acting on behalf of an economic elite ("agrarian reform from above") or resource-poor rural classes ("agrarian reform from below").

In South Africa, as a rapidly developing middle-income country, the state views agrarian reform as part of its broader rural development agenda. But the theory or paradigm on which it is premised continues to be intensely contested. Many interest groups and experts argue that the existing model of agrarian reform is grounded in a neo-liberal or market-based paradigm which helps to explain its limited pro-poor focus (Lahiff, 2007b, Moyo 2010). Agriculture is perceived to be the exclusive preserve of elite farmers able to withstand competition in input and output markets, which are becoming increasingly unstable and unpredictable. This model imposes relentless pressures to minimize the economic role of the state through restrictive fiscal policies and shrinking public investment in smallholder agriculture. Alternative paradigms, such as Marxism (associated with forced collectivisation in Russia and China) and radical populism (with widespread support among academics and development practitioners who champion the cause of poor-peasants), appear to be far less fashionable today than a few decades ago.

## **Lessons from Agrarian Restructuring in Developing Countries**

In poorer countries in Asia, Latin America and Africa - where 50%-75% of the population continue to live in rural areas - the rural poor make up a substantial share of the total destitute. Agrarian reforms institutionalized across countries in these regions appear to have had mixed results. Part of the explanation derives from deeply entrenched agrarian structures - either dominated by the smallholder family farmers or large agricultural estates - that are difficult to quickly overhaul. Countries with highly unequal agrarian structures (Brazil and Guatemala, for instance) and in cases where there has been little support for smallholder farmers (or active discrimination against them through taxation, such as in Ghana and Nigeria), rural living conditions have worsened. However, with adequate support targeted at smallholders, food security and employment have improved in some countries (see Matshe 2009 for examples in Southern Africa).

Across Southern African there are deep-seated vestiges of settler colonial rule to overcome in the agrarian sector - following the achievement of liberation in recent last decades. Under exclusionary and discriminatory regimes of the past, racially-skewed agrarian structures have been justified in terms economically efficient farming units. Namibia's land reforms, both the Farm Unit Resettlement Scheme (FURS) and the Affirmative Action Loans Scheme (AALS), are deeply embedded in market-based land reform. In the context of the country's arid farm landscape and the extensive game farm ranges, there is considerable focus on economically viable farm units, thus raising the limits on the subdivision of land and its market value. There is no comprehensive evidence that the Namibian model has produced jobs, sustainable incomes and improved food security on any significant scale. Zimbabwe's land reform model has evolved through several phases after independence in 1980. However, most of the emphasis has been on the period of Fast Track Land Reform, sparked by land invasions due to widespread dissatisfaction with the slow pace of land redistribution under structural adjustment of the 1990s. The dominant model promotes landholdings for household food security, while also encouraging economically viable commercial farm units. The agrarian structure has been radically altered in some localities, spearheaded by populist formations of the landless and rural poor. However, there has been no substantial improvement in living standards, primarily due to broader macro-economic instability, dysfunctional support institutions and inadequate infrastructural support.

### ***Conceptual Framework***

Land reform in South Africa is often considered to be a political project in crisis as it has encountered numerous constraints and obstacles throughout its implementation (Lahiff 2007a and b; Hall 2009). Researchers, policy makers, implementers and the private sector are often unanimous in their criticism which is largely centred on the models, process, pace and impact of South Africa's land reform project. Much of this criticism has to do with the paradigms that underpin the expectations or viability of land reform. Recent research by a consortium of southern African and English partners has attempted to shift the focus towards the general impact of land reform sub-programmes on livelihoods to determine who benefits, how they benefit and under what conditions livelihood benefits accrue. This qualitative project, *Livelihoods After Land Reform* (LALR), is an attempt to overcome the constraints of the weak monitoring and evaluation attempts of the former

Department of Land Affairs by providing evidence of the livelihood benefits experienced by those who have been beneficiaries of the various sub-programmes.

Policy-relevant research that investigates how agrarian reform interacts with rural poverty covers a vast terrain and is constantly exploring new frontiers. Commentators and policymakers disagree on the scope and ingredients of pro-poor agrarian policy and how to implement it for sustainable poverty reduction. There is also debate about which research approaches and tools are best suited to gather and meaningfully analyse grassroots evidence. Agrarian reform clearly interacts with rural poverty through complex mechanisms as illustrated in Figure 1. The picture draws inspiration from an earlier review of agrarian policy reforms in developing countries (Binswanger & Deininger 1997) and related literature which examines the potential of appropriate agricultural development to raise rural living standards (Bresciani & Valdes 2007; Pingali 2007).<sup>1</sup>

Figure 1.1 is a high-level descriptive overview displaying the *characteristics or features* of typical agrarian reforms, *mechanisms or pathways* through which these could operate and the likely *impacts* on social and other indicators. Firstly, the top section of the picture maps the core types of agrarian reforms which include land redistribution, land tenure security, restoration of expropriated land rights and public investment in agricultural development support. Almost all agrarian reforms are state-directed with participation of non-state actors - private business interests in agriculture (agribusiness corporations, agrarian elites, etc.) and rural communities (resource-poor farmers, landless workers, etc). But the extent of such non-state involvement varies widely primarily because some interest groups are better able to mobilise themselves into powerful lobbies.

Secondly, the middle section of Figure 1.1 conveniently distinguishes the simplified direct from the trickier indirect mechanisms and pathways through which agrarian reform might work. If agrarian reforms directly reduce rural poverty, which has been a traditional hypothesis in this domain, then it is crucial to investigate how this might explain contradictory evidence. The indirect routes clearly reveal the complexities of agrarian restructuring. It imparts a sense of realism into projects that set out to design efficient pro-poor interventions in rural areas. Along each pathway, in turn, variables interact in dynamic ways and we are mindful that the pathways do not exist in isolation.

- *Institutional arrangements and dynamics*: This includes cross-cutting policies, networks (social capital, households) and structures; interactions with private sector agents; relationships with state departments/ structures (fiscal trade-offs, political power relations, etc.).
- *Household food security*: In rural South Africa, it is known that between 2.5 and 2.8 million households farm to produce food for households (Aliber and Hart 2009, GHS 2009). To what extent does (or could) agrarian reform support enable improved household food security (or subsistence) production?
- *Employment*: Self-employment and jobs created through agrarian reform sustain livelihoods. What is the additional income generated and what are second-round multiplier impacts?

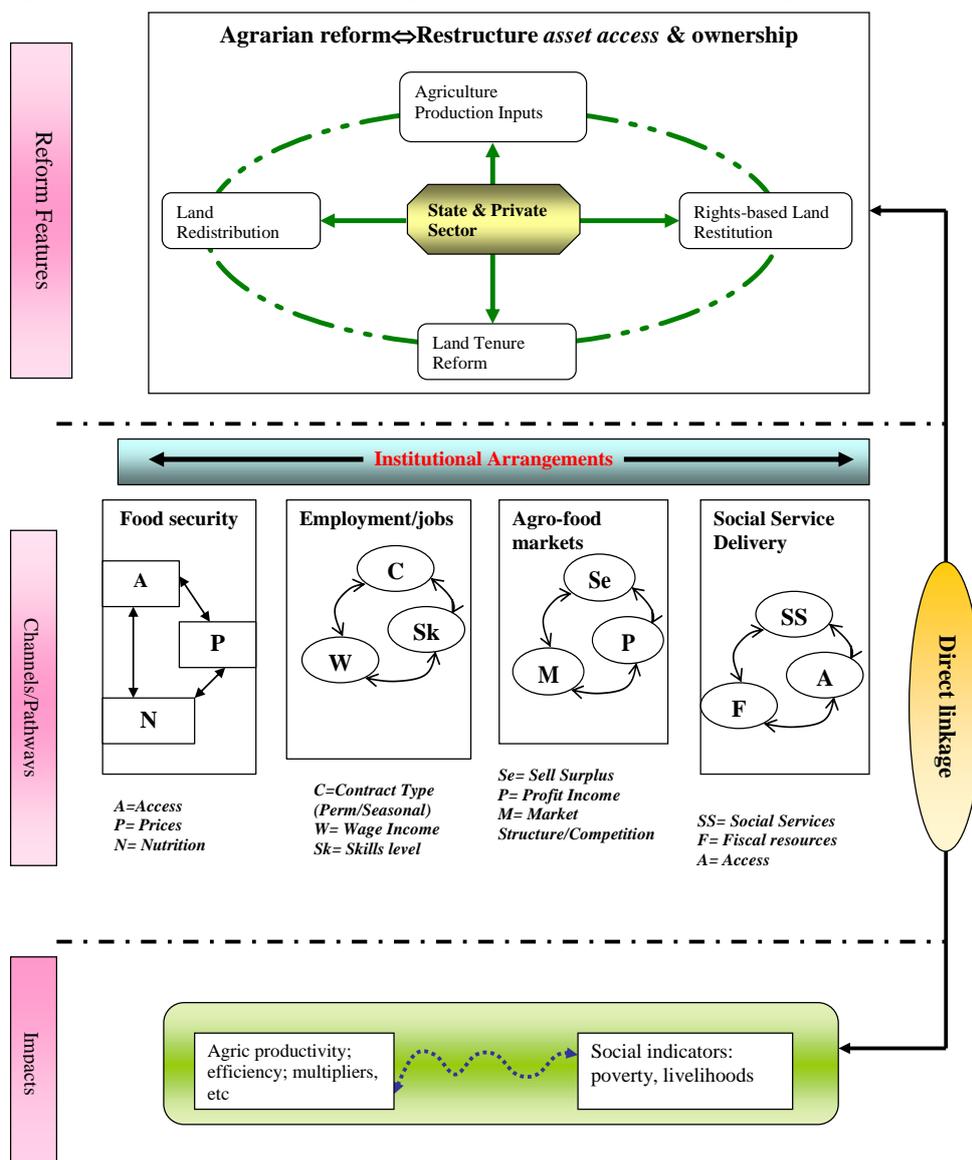
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<sup>1</sup> The research team developed this schematic framework as the desktop review of the literature progressed. A small roundtable session to discuss initial research findings and identify knowledge gaps for future research made useful contributions to refining this picture.

- *Agro-food markets*: This is another income channel; it is also a factor that connects with food prices and food security more generally. How does agrarian reform impact on agro-food market prices, surplus production, ownership and control along agro-food value chains, etc.?
- *Social Service delivery*: Access to complementary social services (education, health, etc.) and physical infrastructure (roads, storage, etc.) are integral to successful agrarian reforms; access to publicly-funded services lower the cost of economic participation for agrarian reform beneficiaries.

Finally, the bottom part of Figure 1.1 isolates social, economic, ecological and political indicators to track the impacts of agrarian reforms. This captures the outcomes of agrarian policies through various pathways on the rural poor. Sustainable rural livelihoods form a fundamental and widely debated outcome of agrarian reforms. Agrarian reforms seek to sustain livelihoods through more equitable distribution of agricultural resources – productive farmland, inputs, access to agro-food markets, etc.

**Figure 1.1: Schematic overview of agrarian reform and poverty linkages.**



## **South African experiences**

This introduces the idea of pathways through which agrarian reforms could assist the rural poor to transition to sustainable livelihoods. The pathways - institutional arrangements, household food security, employment, agro-food markets and social services - enable us to systematically think about concrete intervention options to strengthen the pro-poor thrust of agrarian policies. It is a useful framework to analyze the vast amount of evidence assembled in this report and to identify specific policy and knowledge gaps. Previous studies of land reform in South Africa since the mid-1990s describe the various experiences in these mechanisms to sustainable livelihoods as follows:

***Institutional arrangements and dynamics:*** Numerous analysts have criticised the institutional arrangements from the overall design of land reform in South Africa, incorporating the actual implementation and notably the lack of sustained and coherent post-settlement support. They have also criticised the various beneficiary institutional arrangements Communal Property Associations (CPA) and Trusts - proposed and implemented by the state institutions. State institutions - such as the Department of Agriculture, Forestry and Fisheries (DAFF), the Department of Rural Development and Land Reform (DRDLR) and their various provincial and district organs - and their support has been heavily criticised and to a large extent this criticism is apparent throughout the pathways identified here but has also been more strongly emphasised with regard to the identification of beneficiaries, planning, post-settlement support, monitoring and evaluation. The Provincial Departments of Agriculture (PDAs) are also constrained by capacity and budgets and often try to get different parastatals and private sector organisations to implement service provision on their behalf. These weak institutional arrangements are further compounded by the political influences of various external organisations, such as the national commercial agricultural unions and the many international aid agencies, which desire market driven land reform and the retention of relatively large-scale commercial production. Unfortunately, it is these weak institutional arrangements that cut across the four important pathways that could improve the circumstances of the rural poor.

***Household Food Security:*** Despite the unwillingness of many officials to push for formal subdivision the informal subdivision of land has occurred and production focuses primarily on supplementing household food supplies with some land allocated to communal livestock grazing. In fact it can be argued that informal subdivision is a consequence of three important factors that are often overlooked in South Africa's attempts at agrarian reform. First the poor are unable to work large portions of land as they do not have the resources to do so. Second land is firstly desired for settlement by the poor and then as a means of supplementing household food stocks. Third, the idea that people want to work together in large groups is not based on any evidence and in fact when groups are self-formed they often involve only close kin or friends. Generally, this type of land use does not receive sufficient support from state services to ensure improved food production and any evolution towards commercial production.

***Employment:*** The limited empirical evidence available suggests that most land reform projects failed to generate even self-employment for the direct beneficiaries and the overall contribution in terms of on-farm versus off-farm employment is negligible i.e. the income derived from agriculture has not

increased significantly in many instances. When an existing farm is transferred to beneficiaries some or all of the farm workers and their families might lose their employment and housing as the beneficiaries initially plan to do the labour themselves. These former farm worker households find themselves moving to the informal rural settlements that have gradually expanded since 1994.

**Agro-food markets:** Post-settlement support which integrates farmers and their produce into existing food markets appears to be non-existent. Even where ratified project plans indicate that this is vital for sustainability and growth it seems that this has not occurred. Lack of access to markets, sometimes in combination with a lack of overall post-settlement support has resulted in beneficiaries focusing on production for own consumption, with any surplus being sold locally and often informally. There are of course a few examples of various private sector organisations (for example SPAR, Woolworths, Monsanto, Grain South Africa) that attempt to provide markets to beneficiaries but this impact is also minimal when considered in terms of land reform as a whole.

**Social service delivery (and infrastructure):** This has perhaps been the most neglected component of land reform. Often farms are acquired on which the infrastructure has collapsed or is in serious need of maintenance. Land acquisition grants appear to be insufficient to cover the maintenance or replacement of infrastructure. Rural infrastructure such as roads and transport are serious problems due to historical and current neglect but also is access to subsidised housing, education, health and sanitation.

## **Outline of the report**

Against the backdrop of the history and post-1994 evolution of land reform programmes, the rest of this report presents an in-depth analysis and discussion of the findings. Numerous methodological concerns, explained in the next chapter, are linked to the reliability and public accessibility of official agrarian reform data in South Africa. Two broad questions guided the review of data and methodologies: what type of information gets collected and how? What analytical methods are most suitable to draw policy-relevant insights from available data? This study combines the strengths of purpose-built household surveys, focus groups and key informant interviews to collect information from land reform beneficiaries (with and without programmed agricultural development support) and other role players. Sampling followed a four stage stratified design to select farm households: provincial selection (limited recent research on land reform); district selection (concentrated distribution of land reform), project selection (land reform projects with and without programmed state-funded agricultural support in the form of CASP and RECAP) and random selection of beneficiary farm-households in projects.

Chapter 3 explores the real-world operations of land reform (restitution and redistribution sub-programmes) and how the beneficiaries were supported in identifying, applying for land and developing land use plans. Who the primary owners and users of land are is discussed and so is the burning issue of subdivision (formal and informal) of land. Cutting across these various questions we

also consider whether or not there is any observed differences in the provinces and if the receipt or not of programmed agrarian development support (ADS) has any notable impact on these practices.

In Chapter 4 the spotlight falls on whether improved access to land and agrarian development support enhances livelihood outcomes and cuts poverty specifically among land reform beneficiaries. It describes typical demographic profiles of respondent households, including the average size of households, gender and educational attainment of household heads and employment status of household members. Drawing on the traditional sustainable livelihoods framework, it explores the ownership of farmland and assets to sustain agricultural production. It then zeroes in on the food security status of sampled households as this policy stipulates this as chief outcome of land reform besides it being a meaningful proxy indicator of the living standard or level of human wellbeing a package of productive assets enables a land reform beneficiary to achieve.

In Chapter 5 we inspect access to and the impacts of state-funded agricultural support for South African land reform farmers through the lens of “value chain analysis”. This analytical lens allows for a systematic probing of assistance across on-farm and post-farm gate segments of agricultural activities. More specifically, this chapter answers the following broad questions: What is the nature of state-funded support for on-farm production and post-harvest activities of land reform farmers? Who are the recipients of the suite of agricultural development packages? How does the farming assistance impact on livelihoods of beneficiaries if these (second-round) spill-over effects are discernible in any way? This dataset allows us to compare farming activities of recipients and non-recipients of state-funded agricultural development support.

Core institutional issues of agrarian reforms in South Africa are discussed in Chapter 6 at three different levels: national, project/household and civil society. To contextualise this discussion of our survey results, the chapter begins by assessing how appropriate institutional arrangements contribute to agrarian development with special emphasis on documented South African experiences. Drawing on primary data collected in three case study provinces of North West, Western Cape and KwaZulu Natal, it then interrogates how institutional arrangements and dynamics could have facilitated and or hindered contributions of the agrarian reform to the overall goal of poverty reduction.

## **CHAPTER 2: RESEARCH METHODOLOGY AND DESIGN**

### **Introduction**

In order to evaluate the livelihoods impacts of agrarian reforms it is necessary to have at least three pieces of information: a coherent and robust conceptual framework, a set of meaningful impact assessment criteria/indicators and adequate data. To begin to address numerous methodological concerns, this report also offers an assessment of the status of officially published agrarian reform data - with particular emphasis on data reliability and public accessibility. More specifically, two broad questions guided the review of data and methodologies: what type of information gets collected and how? What analytical methods are most suitable to draw policy-relevant insights from available data?

We reviewed continuing global efforts to build cross-country datasets from representative national surveys as a method to track contemporary patterns of agrarian change on a global scale. A fundamental learning from this work is the need for upfront clarification of the conceptual and theoretical grounds of variables for which evidence is to be collected. Consistent data gathering instruments and tools must be used to ensure the scientific credibility of data generating processes. In their evaluation of the welfare benefits from South Africa's land reform, Keswell et al (2007) evaluated the impact of redistributive land transfers on the consumption of beneficiaries and found that the programme reduces poverty over the short-run.

### **Official data and surveys linked to agrarian and land reform**

Three broad data gathering strategies are prominent in South Africa, with advantages and drawbacks attached to each approach: small sample village/community based surveys, representative rural surveys/agricultural censuses and general household surveys with sets of questions that focus on rural/agricultural issues. Village/community based studies, which are basically purpose-built qualitative or quantitative research designs, appear to be the fastest growing information collection method. Whilst such methods might be very useful to examine specific rural dynamics in-depth, it remains normally very tricky to generalize or extrapolate results from purposive surveys. It is thus unsurprising that findings might not apply or extend outside the study context. South Africa does not regularly conduct a nationally representative agricultural or rural survey. However, the agricultural census takes place every 3-5 years and it provides detailed data on the economic status of commercial farming. As a mail-order census, it suffers from high non-response rates. Resource-poor smallholder farmers are automatically excluded from the Agricultural Census and it is therefore inadequate on its own to produce a holistic picture of the distribution of a complete range of farming scales and purposes.

The occasional Quality of Life (QoL) land reform surveys have a more circumscribed purpose. These set out to assess improvements in the living standards of beneficiaries post-settlement, and thus serve as a fundamental tool to evaluate the sustainability of livelihoods generated through land and

agrarian reforms. To date the M&E Directorate in the Department of Rural Development and Land Reform has commissioned four such studies. Judging from its underlying methodology, the QoL survey draws on land reform administrative data assembled in district offices of the Department of Land Affairs (DRDLR) to build its sampling frame.

Hall (2007) has questioned the theoretical assumptions and methodological rigour of the QoL surveys completed prior to the 2005/06 survey. The scope of the QoL is limited, which suggests that contents and depth of the survey instrument tends to ignore informative variables. Sampling design and procedures contain numerous inconsistencies, thus undermining any inferences from sampled beneficiaries, with no provisions made for any control groups. All sampled projects receive equal treatment without controlling for the time since transfer and this has resulted in overemphasis on recently transferred projects that operate far below the potential for optimal utilisation of land. To date, the QoL has failed to provide credible and informative data about land reform, let alone being a tool to evaluate if transferred land has been or could be sustaining agrarian-based livelihoods. Earlier intentions and subsequent recommendations to conduct the QoL on an annual basis have not been realised.

Many official and unofficial household surveys are conducted in South Africa with sets of questions that focus on rural/agricultural issues. An outstanding benefit of this class of surveys is that they allow for analyses of individuals or households dependent on farming, whether as large-scale commercial businesses or subsistence households, in the context of a large body of supplementary information. The purpose of the Quarterly Labour Force Survey (QLFS) is obviously to track labour force participation and labour market dynamics. The Income and Expenditure Survey (IES), on the other hand, gathers detailed information on household incomes and expenditures to update weights for goods and services used in the consumer price index - but it is conducted every three to five years.

Since its inception in 2002, the annual General Household Survey (GHS), which replaces the October Household Survey (OHS), has evolved into a crucial source of information to gain insights into multiple aspects of household living conditions in South African. Both the worker and household sections of the survey indirectly or directly ask about participation in small-scale farming. In the worker section, the information is primarily covered through the industry and occupation questions. These questions are similar to the core questions in the labour force survey. In 2002 and 2003 a land grant question appeared in the survey. A comparison of the information collected with this question to findings from official administrative data and independent reviews yielded no consistent insights (Reference). The lack of correspondence of GHS data with data from more reliable sources suggests that the GHS 2002-2003 collected unreliable information about access to land grants. As a result this question was discontinued from the 2004 GHS.

Since its onset in the mid-1990s, South Africa's land and agrarian reform has stimulated a large volume of reviews and evaluations. Various agencies have headed these evaluations, occasionally with similar purposes but very different methodological designs. The then Department of Land Affairs (DLA) and Commission for the Restitution of Land Rights (CRLR) initiated many of these earlier

studies, often commissioning experts outside government to review or evaluate the effectiveness or impacts of land policy interventions.

This first wave of state-driven land reform assessments set out to inspect the internal design and content of varied land reform interventions. Most of these evaluations were in the form of internal diagnostic reviews of land restitution, tenure reforms for farm dwellers and the broader range of redistributive land transfers. Sometimes external formative evaluations took place but these were restricted in terms of land reform projects and on a fairly limited geographic scale. Overall, evaluation findings were particularly valuable to policymakers and implementers of land policies who thus got rapid feedback on how to improve programme implementation.

In 2006, the Restitution Commission appointed CASE to assess the livelihoods impact of settled restitution claims. Diako et al (2006) evaluated South Africa's land restitution programme against its developmental outcomes- an exercise which took place alongside the broader and perhaps more thorough land reform Quality of Life survey of 2005/06. The sampling strategy in the CASE study started with the project identification and selection by the Land Restitution Commission. This process generated a list of 190 projects from which CASE researchers selected a sample of 179 projects for in-depth investigation. The sampling selection criteria prioritised reclaimed land used for agricultural purposes as it fits into the overarching purpose to assess the developmental outcomes of land restitution. In addition, this assessment relied extensively on the qualitative interviews and literature reviews.

Many non-governmental commentators and academic experts have periodically initiated their own investigations into the performance of the country's agrarian reform programme. A network of land sector non-governmental organisations initiated an independent evaluation of land reform around 2002-2003, but experts in the field crafted and implemented this assessment. The resulting project, under the title "Evaluating Land and Agrarian Reform in South Africa" or simply ELARSA, served a twofold purpose. On the one hand it constructed a reliable evidence base on the evolution, content and impacts of the full suite of post-1994 agrarian policies. On the other hand, its findings helped many civil society organisations that represent landless and poor rural people to engage in informed and constructive debates around the country's agrarian policies (Hall et al 2003).

The Center for Development and Enterprise (CDE), for instance, completed a two-year status report in 2008 on the ways in which the private sector has contributed to land reform (CDE 2008). What motivated this study, in part, was a claim that 50% of transferred land reform projects were unsuccessful and failing. It evaluated achievements in land transfers and farming activities on this land against government's target to transfer 30% of 'white-owned' land to black ownership. CDE estimated that land transfers at that time was in the order of 6.8% of commercial farmland, with the share of the state roughly 4.9% and the private land market making up the difference (especially of higher quality farmland). However, its four case studies revealed considerable variation in localised land transfers and share of black land ownership ranging from as high as 32% (in KwaDukuza) to around 12% (in Elliot). In all these cases, the private sector is actively participating in and promoting

land reform through commercial banks, agricultural commodity sectors and various Black Economic Empowerment (BEE) deals.

In 2008, Anseeuw and Mathebula (2008) evaluated land redistribution and restitution projects in Mole-Mole local municipality in Limpopo. Its overarching purpose was a comparative assessment of the goals and outcomes of land reform against the author's paradigm of development. The assessment approach combined macro and micro development indicators. At the macro-level, it tracked economic growth outcomes, whereas at the micro-level there was a distinction between the land reform project, beneficiary and geographic location. The framework incorporated variables to construct a package of household livelihood factors: assets, incomes and food.

The selection of the geographic setting for their land reform work was also evidently driven by the concentration of land reform projects in Mole-Mole local municipality, Limpopo. This allowed them to select a more diverse sample from the projects in this region. Commercial and subsistence farming accounted for the 80% of economic activity in the area. Compared to all the other local municipalities in Limpopo, it did not only account for the highest number of land reform beneficiaries at that time, but it also ranked second both in terms of the number of land reform projects and hectares of transferred land.

Data collection involved open-ended interviews with representative from representatives serving in the project's legal entity as well as a non-leadership beneficiary. One of insurmountable barrier to the fieldwork exercise was that many land reform projects were inaccessible. Another worrying impediment was that the number of beneficiaries actively involved in projects tended be fewer than the initial number of applicants.

## **Quantitative Research Methodology**

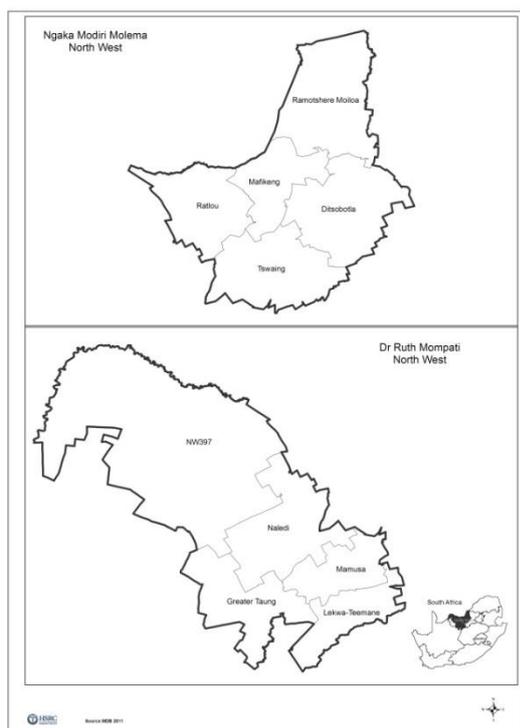
As pointed out above, a three-pronged land reform programme (restitution, redistribution and tenure security) coupled with two agricultural development support packages (CASP and RECAP) sit at the heart of South Africa's agrarian reform framework. Stated in this summary form, this framework appears to consist of neat and easily separable components. However, as will be discussed later in this study, multiple policies and rules govern access to and participation in each programme and its varied components. In tenure reform, for example, secured access to land for farm dwellers is still governed by different pieces of legislation but also overlaps with different land redistribution grants either to enable housing development or farm worker participation in farmland ownership or management.

This study combined the strengths of purpose-built household surveys, focus groups and key informant interviews to collect information from land reform beneficiaries (with and without programmed agricultural development support) and other role players active in South Africa's agrarian reform processes.

Sampling followed a four stage stratified design to select farm households: provincial selection (limited recent research on land reform); district selection (concentrated distribution of land reform), project selection (land reform projects with and without programmed state-funded agricultural support in the form of CASP and RECAP) and random selection of beneficiary farm-households in projects. The maps below provide an overview of the rural districts that formed the study sites in this project.

Agrarian transformation in the North West Province, particularly the land reform component and programmed support thereof, unfolds on a chessboard of arid and arable land across the four districts of the province. Large scale agriculture is primarily undertaken in the more arable areas while some smallholder farming is found in the more arid areas. The districts of Ngaka Modiri Molema and Dr Ruth Segomotsi Mompati cover a large portion of the former and greatly fragmented Bophutatswana Homeland. Agricultural production in these two districts is predominantly commercial livestock in the form of beef cattle and some sheep. Other core agricultural production is field cropping of maize and sunflower on commercial farms; mainly in the areas to the south of the province, bordering the Free State Province. The following figure gives an overview of the two study sites in North West Province.

**Figure 2.1: North West Districts**



Given the homeland legacy and the desire to change the agrarian landscape, official land reform administrative records illustrated that the most intensive land reform activities undertaken in the North West Province between 1994 and December 2011, occurred in these two districts (See Table 2.1. on page 25). In Ngaka Modiri Molema district more than half of the land claims had been settled by 2007 (396 of the 614 land claims lodged), while in Dr Ruth Segomotsi Mompati District slightly less than half had been settled (58 of 137 lodged claims) (Project Kopantsha Restitution Statistics Reconciliation May 2007), despite the ministry's concentration on restitution in urban metropolises. Unsurprisingly, the recent War on Poverty (WOP) assessments completed by the DRDLR in October 2012 indicates that these two districts are home to some of the

province's poorest households (personal communication DRDLR advisor). This landscape of poverty and intensive state led agrarian reform initially provided a suitable site for research on the linkage between agrarian reform and poverty reduction. However, Figure Table 2.1 below indicates that most land redistribution has been centred around LRAD and PLAS, the more recent redistribution programmes that have been criticised for their apparent focus on the wealthier rural residents.

**Table 2.1: Listed Land Redistribution projects in the North West**

Name of District	Number of Land Redistribution Projects/Farms	Provincial Proportion (%)	SLAG	COMG	LRAD	PLAS
Bonjanala Platinum	76	18%	23	6	35	12
Dr Kenneth Kaunda	84	20%	22	4	33	25
Ngaka Modiri Molema	120	29%	9	3	82	26
Dr Ruth Segomotsi Mompoti	142	33%	8	5	107	22
<b>TOTAL</b>	422	100%	62	18	257	85

Source: Compiled from the North West Provincial Land Reform Projects 1994 to December 2011 (DACERD 2012)

Lists of land reform redistribution and restitution farms in the province, since 1994, were obtained for each district from the DACERD in Mafeking and the North West Provincial Land Restitution Commissioner respectively. Lists containing information about the redistribution and restitution farms and other agricultural projects receiving CASP and RECAP were obtained from the various district offices of the DACERD and also in the case of restitution and RECAP from the North West Provincial Land Restitution Commission via the National Land Commissioner in the national Ministry of Rural Development and Land Reform in Pretoria.

The first challenge, because of the provincial and district municipal boundary changes between 1994 and 2011, was to address the effects of these changes on the overall sample by removing projects and farms which were no longer part of the two districts from the master lists. There was also a need to remove farms where the land redistribution process had not yet been settled. Land redistribution farms were reduced to 129 and 107 for Dr Ruth Segomotsi Mompoti and Ngaka Modiri Molema respectively.

The second challenge was to compile the different lists from the various sources into a single composite list for both Ngaka Modiri Molema and Dr Ruth Segomotsi Mompoti district. Each of these district lists needed to form a sampling frame which indicated the Land Grant Type, the Number of Restitution farms, Receipt of Programmed Agricultural Support and the type of Programmed Agricultural Support (RECAP or CASP). However, this step proved difficult because District Restitution and CASP support details did not coincide with the Land Reform Project Master lists for each district. For example in the 2010/2011 financial year, only one CASP recipient was verified with the master list for Dr Ruth Segomotsi Mompoti and only seven were verified for Ngaka Modiri Molema. A similar trend appeared for CASP projects in these two districts since 2004. CASP identification was initially further hampered by the fact that non-beneficiaries of land reform are also eligible for CASP and provincial lists indicated many of these projects and did not clearly provide the necessary details to compare with the master lists with other lists in order to accurately identify if the recipients had also been land reform beneficiaries at some point. RECAP projects were only available for the financial year of 2011-2012<sup>2</sup>. Different lists also identified different projects as recipients of RECAP. It was decided that despite the fact that represented projects had only recently received RECAP support

<sup>2</sup> RECAP was only introduced during the 2010-2011 financial period.

some attempt should be made to interview them. Consequently, the outstanding information necessary for the identification and comparison of existing data was to be obtained directly from the district officials at the Department of Rural Development. The desktop studies also revealed that in Dr Ruth Segomotsi Mompati at least seven of the farms arranged through the LRAD process were actually wholly or partially compensated for land restitution claims. Only one such possibility was identified for Ngaka Modiri Molema. Eventually, intensive reworking of the available data enabled the compilation of a sample frame indicated in Table 2.2.

**Table 2.2: North West Districts- Desktop Sampling Frame Version 1**

District	Number of Farms (N)	Possible CASP 2007 to 2011	Possible RECAP	SLAG	LRAD	COMG	PLAS
<b>Dr Ruth Segomotsi Mompati</b>	129	27 <sup>3</sup>	Unidentifiable	7	103	5	14
<b>Ngaka Modiri Molema</b>	107	28 <sup>4</sup>	Unidentifiable	9	82	3	13

Source: Compiled from the North West Provincial Land Reform Projects 1994 to December 2011 (DACERD 2012) and other information sent from DRDLR national and provincial officials

Following discussions with the various District and Municipal DRDLR officials a final verified master list was compiled for each district. This list was significantly reduced in comparison to the original list. Based on this verified list a final sample was randomly calculated by the research team and used as a basis of initiating contact with beneficiaries and households. For each district we focused on 20 farms that had received either or both CASP and RECAP (agricultural development support). We also attempted to interview 20 households on farms that had not received either CASP or RECAP (non-agricultural development support). At the same time we attempted to include the various Land Grant types, including Restitution. However, during the field work process some of the representatives of projects included in the finalised list for each district were not contactable or the projects were no longer functioning in terms of the initial project design and Land Grant type. For example SLAG projects were deserted or LRAD farms had been sold by beneficiaries and officials were unaware of this. There are numerous practical problems involved in drawing up a sampling frame and trying to contact beneficiaries in a situation where accurate records are not kept or are not retrievable. The final survey sample sizes in this province are indicative of some of these problems. Given the number of redistribution and restitution farms that are eligible for support in these two districts alone suggests the need for better administration at all levels.

Three agencies namely the Dept. of Rural Development and Land Reform in KwaZulu-Natal, the Regional Land Claims Commission and the National Department of Agriculture, Forestry and Fisheries were approached to access databases of land reform (redistribution and restitution) and

<sup>3</sup> One of these farms apparently received CASP in both the 2007-2008 and 2010-2011 financial periods.

<sup>4</sup> Of these 28 farms 4 appeared to have received CASP in at least 2 years. As in the case above the reasons for this may be the limited capacity to collect, store and retrieve administrative data correctly.

agrarian reform programmes supported by the respective government departments. The DRDLR KZN office provided us with electronic files on land transfers dating back to 1996 for all Districts in KZN. The National DAFF provided us with list of CASP beneficiaries for the period from 2007 to 2011. Although we were unable to access restitution project lists for KwaZulu-Natal, both DRDLR and DAFF officials assisted us identifying restitution projects which had received CASP support.

At the outset two criteria for selection of districts were agreed on namely the density of black households engaged in farming and the distribution of land reform projects in the province. Drawing on LFS data for 2007 this suggested that the highest densities of black households engaged in farming would be located in the UMkhanyakude and the Zululand Districts of KwaZulu-Natal. However when applying the second criteria namely the distribution of land reform projects in KwaZulu-Natal a slightly different picture emerged as Table 2.3 indicates.

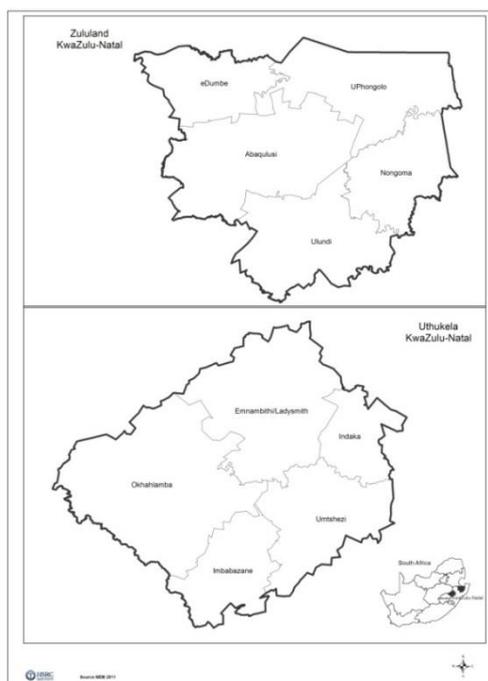
**Table 2.3: Total number of land redistribution in KwaZulu-Natal by district and grant type, 2007-2011**

District	No of Projects	LRAD	SLAG	PLAS	Restitution
Zululand	160	51 32%	83 52%	27 17%	4
Uthukela	134	37 28%	70 43%	20 15%	5
Ilembe	41				
Ethekwini	10				
Ugu	28				
Amajuba	82				
Uthungulu	50				
Umzinyathi	87				
Sisonke	63				
Umkhanyakude	11				
Umgungundlovu	113				

Given the very low level of land reform activity in the Umkhanyakude District as indicated above we undertook further consultations with officials from provincial Department of Rural Development and Land Reform who advised that in order to ensure a more representative sample we should select Zululand and UThukela as the two districts within which the study should be conducted. As the table indicates these were the two districts with the largest number of land reform projects with Zululand ranked as first (160), followed by UThukela (134) and third by Umgungundlovu (113).

A third step was to overlay the Land Reform Project Lists for the two districts with the list of CASP supported projects. This was challenging as the records had to be integrated – manually due to the lack of compatibility of the electronic documents received. The analysis showed that selecting uThukela and Zululand Districts provided the most appropriate district sample in terms of the different types of land reform mechanisms (LRAD, SLAG, PLAS or Restitution) and the scale of CASP supported projects in the districts.

**Figure 2.2: KwaZulu-Natal Districts**



The data suggests that more farms have benefited from SLAG in both districts with 70 farms (43%) in uThukela and 83 farms (52%) in Zululand. In comparison 37 farms (28%) in UThukela and 51 farms (32%) benefiting from LRAD. Both districts included a small number of restitution projects.

Land reform and agricultural development in the Western Cape is unfolding in the context of a capital intensive commercial agricultural regime. Large-scale farms oriented towards export agriculture dominate the provincial agrarian structure. This farm ownership setup has been a weighty determinant of the main form or type of redistributive land transfers and the profiles of land reform beneficiaries. Where redistributive land reform had taken place, it has occurred primarily through equity schemes financed with government's SLAG and LRAD packages. Traditionally, an equity scheme has enabled black farmworkers to use their land grants to buy a portion of the farm on which they work and thus enter a joint venture with the farm owner who effectively remains their employer. Some farmworkers have been able to pool their grant money to become 100% owners of another farm on which they do not work- usually identified with the aid of their employer who is often appointed as their mentor.

Land restitution has taken the form of cash compensation rather than farmland transfers for a host of reasons. One key rationale, according to provincial government officials, has been to avoid disrupting or destabilising production on well-established commercial farms. Proactive land acquisition scheme (PLAS) farms are steadily increasing in number, on average transferring larger farms to a smaller number of carefully selected black farmers.

Three government agencies were contacted for the required administrative data and to avail senior officials for key informant interviews on agrarian reforms in Western Cape. Two of these agencies, the Provincial Land Restitution Commission and Land Reform Shared Service Center (LRSSC), fall under the national Ministry of Rural Development and Land Reform. The Director of the LRSSC approved our request for assistance, first granted by the Director General of the DRDLR, to collect

primary data from a sample of land reform households in two districts. The LRSSC supplied us with electronic files of administrative data on land transfers and the land reform recapitalisation programme. Officials in the provincial department of agriculture assisted us to access administrative spread sheets on CASP and do rapid quality checks of the data.

It was a challenge matching three lists of administrative records on land transfers and programmed agricultural development support; building a coherent project register from 'independent' project summaries for sampling purposes was complicated and time consuming. National and provincial data on land reform grants, for instance, rarely agreed with transferred farmland information in the district offices. RECAP and CASP lists, on the other hand, contained several funded farming projects with the same names but it was impossible to credibly explain why there was this seeming overlap or double-dipping in state-sponsored agricultural investment.

Initial sampling started with the provincial land grants list but the final selection relied on the more reliable district lists. Both lists describe, among other indicators, the name of a land reform farm, size and value of transferred farmland and demographic composition of project beneficiaries for SLAG, LRAD and PLAS respectively. As mentioned above, land restitution in the Western Cape has not resulted in any major farmland transfers, thus the low priority given to administrative data on this element of land reform.

The first step was to determine the dominant land reform districts from the land transfer information. For the period 1997-2011, four district offices in the province have redistributed 256 017 hectares of land spread across 255 projects as reported in table 2.1 (except for the 2010-2011 summary, the project team could not access detailed post-2010 information). The scope of this research study is on rural farmland transfers and, consequently, urban properties and land for housing construction were excluded from the sample at the outset. Although Cape Winelands district had the highest number of transferred projects (112), these were overwhelmingly equity schemes combined with urban and housing land transfers.

**Figure 2.3: Western Cape Districts**



West Coast and Eden-Karoo districts, by contrast, ranked as second (54 projects) and third (50 projects) in terms of a count of the numbers of land redistribution projects and also included a more diverse spread of farmland transfers. The verification of the provincial lists with updated records in each district office revealed a number of dysfunctional farms that still appeared in the provincial lists. Even after exclusion of the ‘collapsed’ projects from the verified district lists, this did not alter the ranking of West Coast and Eden-Karoo as crucial fieldwork sites. The following picture gives an overview of the two district municipalities in Western Cape:

The dramatic shift in land redistribution from LRAD to PLAS post-2010 might be worth noting. For the 2010-2011 fiscal year, official records show 6 LRAD projects compared to 7 PLAS projects. In terms of the total volume of land, LRAD farms amounted to 1,628 hectares compared to 10,848 hectares for PLAS farms. Consistent with the increasing prioritisation PLAS, the money spent to buy LRAD farms was in the order of R35,3 million compared to R83,7 million paid for PLAS farms. Reliable information on the quality and productive capacity of land is non-existent, so it is impossible to conclusively assess the ‘real agricultural value’ of redistributed farms. Notwithstanding this gap in agrarian reform data, the amount of land redistributed through PLAS is roughly 10 times more than land transfers through the phased-out land grant, LRAD.

**Table 2.4: Total number of land redistribution in Western Cape by district and grant type, 2007-2011**

District	All Projects	LRAD	SLAG	PLAS	COMG
West Coast	54	32	18	4	n/a
Eden-Karoo	50	29	19	2	1
Overberg	26	18	5	1	2
Cape Winelands	112	73	38	1	n/a
Provincial summary(2010-2011)	13	6	n/a	7	n/a
	255	158	80	15	3

Source: Compiled from Western Cape LRSSC admin data- 2012

A quick review of the Western Cape RECAP project lists suggests that 48 farms have been recapitalised (received RECAP support) since the start of this programme in 2010. In addition to the name of each farming project, the RECAP list also shows the original land purchase grant. It indicates that 27 farms (56% of all RECAP projects) have benefitted from PLAS, compared to 20 LRAD farms (42%) and 1 SLAG farming project. Basic descriptive information for each project – such as the name,

local district and land grant- allowed us to match the RECAP lists and the land transfer lists. A column titled 'enterprise type' broadly classifies the farms into livestock, horticultural and vegetable farming.

Until 2010, the CASP lists of the national and provincial departments of agriculture captured the same details mentioned in the land transfer and RECAP lists and also specified the type of land grant used to buy the farmland. This land grant type column does not appear in the 2011 CASP project list thus increasing the difficulty to integrate the three sets of data. Nevertheless, the most recent adequate CASP grant summary with appropriate details for our sampling purposes is the 2009/10 list. According to a summary table at the end of the detailed spread sheet, 82% was allocated to land reform in the total spending of R63,6 million. Furthermore, it shows, for instance, separate columns for LRAD and Agrarian Reform, but this distinction between these two categories of funding agricultural support is not clarified. In Eden/Karoo, the CASP grant was allocated to 39 projects, compared to 23 in West Coast and 17 in the Cape Winelands districts. The aggregate amount spend per district came to R13 million for Eden Karoo, R6,8 million for West Coast and R11 million for Cape Winelands. What this illustrates is that CASP spending per project is skewed in favour of Cape Winelands probably because high-value commercial agriculture is concentrated in this district.

To allow for district level comparative analysis, with robust small-sample statistical properties, we fixed a lower-bound targeted sample of 75 farm households (100 upper-bound). The realised sample included 301 land reform farm households, with highly uneven response rates across the six districts. The realised sample in each of the North West districts were 38 and 31 but with the least number of invalid observations. Zululand reported the highest sample size (84 farm households), but accounted for a two-thirds of the all non-response cases (10). Both districts in the Western Cape only reached the mid-point of the upper-boundary of the targeted sample- 49 and 51- a relatively low number of non-responses. Out of 286 valid observations, 119 households self-reported that they have received agricultural development support- which amounts to 41.61% of the valid sample. However, the relatively high shares of this category of farmers sampled North West (above 60%), is undoubtedly compensating for the shares in KwaZulu-Natal in the order of 20%. The following table gives a descriptive summary of the targeted and realised samples for each district municipality:

**Table 2.5: Overview of farm-household sampling per District Municipality**

District Municipality	Province	Targeted Sample- land reform beneficiaries	Realised Sample- All Land Reform Beneficiaries		Agricultural Development Support	
			Valid-N	Non-Response	Valid-N	% of Valid Land Reform
Dr Ruth Segomotso Mompoti	North West	75-100	38	0	27	71.06
Ngaka Modiri Molema	North West	75-100	31	1	19	61.3
Zululand	KwaZulu-Natal	75-100	84	10	20	23.81

Uthukela	<b>KwaZulu-Natal</b>	<b>75-100</b>	33	1	7	21.22
West Coast	<b>Western Cape</b>	<b>75-100</b>	49	3	21	42.86
Eden/Karoo	<b>Western Cape</b>	<b>75-100</b>	51	0	25	49.02
Total		<b>450-600</b>	286	15	119	41.61

Next we begin to describe the methods and type of data collected with the aid of a carefully designed farm household survey questionnaire. Field data have been captured using the STATA software package in two separate files:

- Household demographic information;
- Land accessed through land reform and farming type practised on this land.

The household is a consistent and useful unit to compare how beneficiaries of agrarian reform may or may not have benefited from land redistribution, restitution and programmed state-funded agricultural development support. As discussed above, the poverty or livelihoods impacts of agrarian reforms can be traced through several pathways and the farm-household questionnaire has been designed to quantify these relationships. In more recent years, redistribution has shifted from land transfers to groups (a combination of individuals from the same or distinct households) towards individual beneficiaries (who, since 2001, can now come from the same household). The Comprehensive Agricultural Development Support Programme (CASP) and the fairly new Land Reform Recapitalisation (RECAP) intervention focus on the actual farmer or project (all farms transferred by means of land reform are considered to be projects). Land restitution is predominantly group based, which often implies several households with or without various familial ties. In addition to the main respondent, the demographic module collected information on the gender composition of the household, its age structure, educational attainment per household member and distinguished between primary secondary incomes (including labour market activities). The literature suggests that poverty estimates derived from consumption and expenditure data are more reliable. This part of the questionnaire therefore collected fairly detailed information on food expenditure and money spent on other durable and non-durable household items and services during well-defined reference periods (total for past month and totals for past six months). With the aid of unique household identification numbers it is possible to consistently match individual demographic profiles with the household's land and farming information.

Although land access and agricultural practices are related in studies on agrarian reform, the logical structure of the questionnaire dictated that these sections be kept separate. This allowed for probing into quantitative and categorical information in each section of the questionnaire. A cluster of questions in the land access component of the survey asked detailed information on the type of land reform grant mechanism used to acquire land, how fit the land was for farming at the time of acquisition, types of built-infrastructure on the farmland, debt incurred to make up the purchase price of the land and group-based landholding arrangements. The final section of the questionnaire

asked whether the household has benefited from different types of agricultural development support grants. This section includes questions on the nature and extent of crop and livestock farming, included volumes of output and sales in agricultural output markets. Cutting across the second a third sections are a number of questions that consider the types, function and impacts of different institutional arrangements that play a role in land reform and programmed agricultural development support.

## **Qualitative Research Methodology**

The qualitative research involved two main thrusts. In order to provide a broad and up-to-date perspective on land reform in South Africa by those involved in the process from a service provision and analytical perspective at the national, provincial semi-structured interviews were conducted with a number of key informants. These individuals all came from the various tiers of the DAFF, the DRDLR, the Commission on the Restitution of Land Rights (CRLR) and various non-governmental organisations (NGOs) actively involved in Land Reform. Most of these individuals had a long history of working in various organisations that have been and still are involved in agriculture, land reform and rural development in South Africa. The second thrust aimed at complementing the data obtained from the household surveys by means of focus groups sessions – comprised separately of beneficiaries who had received agricultural support, those who had not and non-beneficiaries living in communities adjacent to the land reform recipients - that utilised a semi-structured schedule. The purpose was to qualitatively understand the experiences of some of these three groups of stakeholders in the land reform process.

Initially the key informant interviews intended interviewing approximately six individuals who could comment on the land reform process at the national level and then a further thirty individuals who could comment on the process at the provincial and district levels. However, because people had and still do move around within and across the various government departments, universities, Aid Agencies and non-government organisations many of the key informants were able to comment on international, national, provincial and specific trends in land reform based on their wide experiences. The resultant mix of the final 29 key informant interviews is as follows:

- Eight (8) NGO workers/researchers
- One (1) National Emerging Red Meat Producers Organisation (NERPO) senior representative
- Six (6) DAFF officials
- Ten (10) DRDLR officials
- Three (3) commissioners of the CRLR
- One (1) International Land Reform consultant/academic

The focus group sessions had originally intended to sample one group of land reform beneficiaries from the same project that received programmed agricultural support, one group which had not and a group of non- beneficiaries living in a community neighbouring a project. Initially this meant a sample of three different focus groups per district and a total study sample of 18 focus groups. However, due to a number of constraints – including incorrect project identification, the lack of non-

beneficiary communities closely neighbouring the projects identified, vast distances that had to be travelled between identified projects, beneficiaries coming from other areas some distance away from the projects, and the presence of ‘unsuccessful’ equity schemes being included in projects identified as not having received programmed support – the final sample remained 18 but did not achieve the distribution initially planned. This is illustrated in Table 2.6 below which shows that seven focus groups were held the KwaZulu-Natal, five in the Western Cape and six in the North West. Also apparent from the table is that not all of the three different types of focus groups were conducted as initially planned – in some cases less and in others more. Because of the various constraints it was decided in the early stages of the field research that the provincial research teams concentrate on at least two focus groups in each district – one with a project whose beneficiaries had received programmed agricultural support and one with a project whose beneficiaries had not. The focus group with neighbouring non-beneficiaries was thus only required if it was possible and practical to have such a focus group interaction.

**Table 1.6: Distribution of final focus group workshops**

Province	Type of Group	Number of groups
KwaZulu-Natal	Beneficiaries of Project with Agricultural Support	2
	Beneficiaries of Project without Agricultural Support	4
	Non-beneficiaries from neighbouring community	1
Western Cape	Beneficiary of Project with Agricultural Support	1
	Beneficiary of Project without Agricultural Support	2 <sup>5</sup>
	Non-beneficiaries from neighbouring community	2
North West	Beneficiary of Project with Agricultural Support	2
	Beneficiary of Project without Agricultural Support	3
	Non-beneficiaries from neighbouring community	1 <sup>6</sup>

### **Practical fieldwork considerations**

A number of obstacles beyond the control of the research team dictated the actual sample of farm households in this study and therefore influenced our findings. Firstly, poor quality administrative data collected and stored with the national and decentralised Monitoring and Evaluation units of the respective departments. Consistently linking administrative information for projects across four different project lists- redistribution, restitution, CASP and RECAP- has proven to be a research

<sup>5</sup> Both these focus groups took place on ‘unsuccessful’ equity schemes. They are described as failed because in the one instance the equity partners withdrew and left the beneficiaries with R17 million worth of debts and in the other there was a lot of infighting among the beneficiaries, little farming had transpired and there seemed to be a desire by some beneficiaries and the state to convert the area into a formal settlement.

<sup>6</sup> This Focus Group was actually organised with beneficiaries who had not received programmed agricultural support. However, the group was composed of a fairly even mix of beneficiaries and non-beneficiaries. The voices of both groups were captured during the discussion.

undertaking in its own right. No up-to-date and coherent database of land reform projects exists with information on the full history of a piece of transferred farmland and amounts of state support.

Secondly, highly uneven operational capacity of local departments to verify project lists obtained from national and provincial departments. The restructuring of departments and reallocation of local administrative project oversight made the identification of farming projects practically impossible in some instances. Across all districts and provinces local departments had lost contact with virtually all beneficiaries of older projects and contacting these beneficiary farmers became impossible where a project had collapsed. This was the case for both Western Cape districts where land reform beneficiaries have been selling their farms or have simply abandoned it. In North West Province, for example, at least 14 projects in the target sample could not be reached either due to outdated contact information or because the land reform farm had become totally dysfunctional.

Official data on state-aided farmland transfers and agricultural support are not easily accessible for research purposes without permission from designated authorities in the Department of Rural Development and Land Reform (DRDLR) and the Department of Agricultural Forestry and Fisheries (DAFF). Even though this procedure is fairly common and not unique to research on government policy, it is often extremely cumbersome and frequently delays the primary data collection phase of projects. We experienced lengthy delays at 2 stages: firstly to obtain comprehensive primary administrative project information and secondly the reluctance of public officials to be interviewed.

## **CHAPTER 3: LAND !**

### **Introduction**

The equitable access to land in South Africa is a burning political, emotional and developmental issue. Central to South Africa's land reform policy is the reinstatement of property rights and land to those who had either historically lost these or had subsequently been denied them. For many, the historical process of land dispossession was ultimately a denial of citizenship and associated rights and obligations. For others the loss of land in rural 'white' South Africa, following the 1913 Native Land Act, also meant the loss of agricultural livelihoods. The 'black spot' removals between the 1950s and 1980s, whereby the farms bought and owned by black title-holders were seized by the state and their owners unceremoniously dumped in the homelands, or gradually forced to relocate in special settlements and the Coloured Rural Reserves (CRR), were the most notorious and brutal of the government interventions aimed at the land dispossession of numerous successful black peasant farmers scattered amidst the white farming landscape (Bundy 1988; Catlin 2008; Van Onselen 1997). Dispossession and forced removals were accompanied by an increasingly hegemonic system of regulation and control. It is estimated that approximately 3.5 million black people were compelled to leave 'white' South Africa and relocated to the 'homelands' between 1960 and 1980 (Hart 2002). Here they fell under the authority of apartheid government endorsed homeland system of 'traditional' chiefs (Delius 1983). Individual property rights became a thing of the past for previous black property owners unless they had influence with the ruling 'traditional' chiefs. Furthermore, movement, residency and other rights were curtailed. By the 1970s the former Coloured Rural Reserves (many of which were historical mission stations) increasingly came under state control and management boards were established to regulate and control local property ownership, residency and movement. In both the former homelands and the Coloured Rural Reserves those with influence obtained the best land and resources for agricultural purposes. Consequently, post-1994 land reform (restitution, redistribution and tenure reform) in South Africa has to address a range of complex issues. First is the restitution of land rights and second is the racial inequality that characterises the agricultural sector, especially with regard to size of landownership and entrance into the formal economy. However, there are also inequalities in terms of gender and economic class, which historically and currently both affect access to resources for agricultural production and consequently determine the type of production, its scale and sustainability.

This chapter discusses the findings of the study with regard to land mainly received through the land reform process (restitution and redistribution sub-programmes) and how the respondents were supported in identifying, applying for land and developing land use plans. Who the primary owners and users of land are is discussed and so is the burning issue of subdivision (formal and informal) of land. Cutting across these various questions we also consider whether or not there is any observed differences in the provinces and if the receipt or not of programmed agrarian development support (ADS) has any notable impact on these practices. To place the findings of this study on these issues about land into the policy and programme context of the past 18 years we briefly highlight the purposes of the various land reform sub-programmes and the transitions of the redistribution sub-

programme every four to five years. While mention is made of some of the agricultural support programmes, the two primary agricultural support programmes of CASP and RECAP are discussed in detail in Chapter 5.

## **The Dynamics of Land Restitution and Redistribution in South Africa from 1994-2012**

Leading up to the negotiated settlement of 1994, government officials, human rights lawyers and NGO land activists were aware of the extraordinary complexity of their task and they recognised that African land rights are often overlapping and multiple instead of being privately owned and managed. Thus they acknowledged that flexible legislation was required to adjudicate conflicting claims and ensure that the decisions adopted would be adhered to. They also acknowledged that legislation alone was insufficient and that there was a coexisting requirement for institutions that would enable conflict resolution and mediation. What was envisaged, in this sense, was repopulating the rural countryside with legal experts and mediators. The nuanced understandings of these land reform protagonists appeared to promise the success of this undertaking.

However, such imaginings remain largely unrealised and land reform is a promise that many argue is unfulfilled at present. In fact many of the focus groups noted that there remained a lot outstanding that still needed to be done, once the land had been transferred. Conflict amongst the new-beneficiaries, between them and equity partners, and occasionally between them and non-beneficiaries still exist and remain largely unresolved. This state of affairs, along with no or insufficient government support – the latter was never clearly explained, was often given as the reason why little or no economic development had transpired. But perhaps if we take the view that the success of policy making and implementation depends on the various understandings and interpretations of the individuals involved and not necessarily the scripted objectives or goals of the ‘planners’ and ‘legislators’, then for some land reform has been a success despite it not manifesting these scripted goals. Partial manifestation of planned goals and the emergence of unintended outcomes have, at least for a few groups, enabled the interpretation of qualified success (Hart 2012).

The influence of the various actors is important for determining success and guiding outcomes. As James points out (2007: 9) understanding of land reform requires that ‘... we need to pay attention to all these categories of people, to their interaction, and to the way in which their ideas and practices partly dovetail but partly diverge’. State officials, human rights and land activists, various NGO personnel, restitution claimants and redistribution beneficiaries have centred their activities on notions of rights and citizenship entitlements although often contesting the diverse meanings thereof (James 2007: 9-10). Land is construed as an idiom for the citizenship once denied to most South Africans. Simultaneously, restored or redistributed land appears, at least in theory, to hold promises of access to future livelihoods – following international development’s proposal of future perfect – if not now, then in the future! Despite the lack of economic development or improved livelihoods, many focus group participants felt that they had at least benefitted by acquiring land

that they exercised control over or had part ownership of. This meant that they had acquired another asset which they could use as they pleased – live stock grazing or small-scale crop production - and could also pass on their rights to this asset to their children. A few others felt that the land would become more productive given time, increasing their share of the equity partnership to majority shareholder, and greater state support and investment in order to start-up the agricultural growth process. Others of course were less positive – perhaps more realistic – and felt that the land reform process needed a complete overhaul whereby subdivision took place and land was distributed according to one's needs: resettlement of a household on a smaller plot with the enough land to grow vegetables and some grain for household consumption; resettlement of a household on a viable smallholding or resettlement on a large farm that the resettled household or small group had the resources to run with limited initial state support. Clearly the expectations and experiences of land reform and the ultimate satisfaction are different for the various individuals involved.

Much of the potency of narratives about land lies in the way the legal discourse on rights intersects with the economic discourse on livelihoods (James 2007). In practice these are often blurred and the emphasis of one may well supersede that of the other despite original intentions to the contrary. The land reform programme that emerged following the negotiated settlement of 1994 took the form of three distinct sub-programmes, restitution, redistribution and tenure reform, all with different aims and functional arrangements but with the general purposes of ensuring access and rights to land as well as potential economic livelihood benefits. Here we only discuss the restitution and redistribution sub-programmes for the various reasons outlined earlier.

The restitution sub-programme targeted those people who had historically been dispossessed of their rights to land and enabled them to lodge claims, either for the restoration of the land in question or for financial compensation. The most clearly obvious beneficiaries of reform were to be the former title-holding landowners who had been relocated to the homelands during the 'black spot' removals. A second clearly identifiable group were those urban residents who had been forcibly removed to newly developed settlements on the fringes of what are the urban metropolises. The property rights of these two groups have been more easily identifiable and thus easier to assert and retrieve through the process of restitution than other claimants with less easily identifiable rights – farmworkers and migrant labourers, for example. As members of the 'emerging' black middle class they appear to have had a greater sense of entitlement (James 2007: 8). Some scholars have partially attributed the rapid growth in South African NGOs dealing with land issues to the highly motivated attempts of this group to regain land long before the demise of apartheid (James 2000b; Palmer 2001). Their early engagement and interaction with the increasing strength of NGOs that supported their cause facilitated their demands and paved way to negotiations around land claims.

Claims for restitution of land had to be registered prior to December 1998, at which time a total of 63 455 restitution claims had been lodged. Only a tiny proportion was settled in the first few years. Up until 1999 all claims were assessed by the Land Claims Court. In an attempt to quicken the pace of claims, the requirement that each case be subject to judicial adjudication was changed so that

most claims could be decided administratively by the CRLR. During the period 2000-2006 most urban claims on residential and commercial land were settled by awarding financial compensation to successful applicants. Rural restitution claims only started to gain momentum after 2004 as they were procedurally more complicated and involved larger numbers of people and greater volumes of land.

The redistribution sub-programme focused on bringing about improved agricultural livelihoods and quality of life for previously disadvantaged individuals and communities; at least implying some focus on poverty alleviation. The intention was to assist those who had never previously had secure rights to land to acquire commercial agricultural land of high value. The intended beneficiaries included residents in the homelands, in the former Coloured Rural Reserves, on white farms, and even the urban areas. These groups were more likely to be the poor and historically oppressed (Lahiff 2000) than the wealthier at whom restitution was primarily aimed. However, the distinctions are obviously far from clear and many restitution claims and redistribution awards involve both the poor and the better-off or black middle class. The point is perhaps best understood that these were the intentions and not always what happened in practice. Deborah James provides an interesting study of how restitution and redistribution as well as differing socioeconomic classes interacted in happened in practice to bring about hybrid versions of restitution and redistribution and how the sub-programme distinctions often became so blurred that beneficiaries were provided with different land when restitution became practically problematic (see James 2007). Many beneficiaries became unaware of why and how they had received different parcels of land from that which they had originally claimed. Many of these claims were often based on ancestral heritage.

The initial 1994 redistribution target was 30% of agricultural land and, despite slow progress (only 6 million hectares of land has been transferred to new owners until the end of 2009) the target has remained but its due date has been extended to 2014. The overall mechanism for land acquisition was to be market-based (the 'willing-buyer, willing-seller' approach). The state would assist the buyers by negotiating with sellers on their behalf and by providing state grants to beneficiaries which would be used to pay for the land. It was also expected that this process would be demand-led in the sense that the beneficiaries would initiate agricultural projects to be implemented on the acquired land<sup>7</sup>. Furthermore, a community focus would prevail in that groups would pool resources, primarily their grants, to obtain land collectively. The initial programme, the Settlement and Land Acquisition Grant (SLAG) targeted the poor and marginalised by subjecting applicants to a means test, although it appears that some less deserving individuals may have managed to obtain land under this programme due to bureaucratic bungling. SLAG focused on supporting the landless, labour tenants and farm workers, women and the rural poor, and also 'emerging farmers'. In other words a wide range of people could benefit from this first model of redistribution.

Initially the South African version of the willing-buyer, willing-seller approach – market led agrarian reform - differed from similar processes in the neighbouring countries of Zimbabwe and Namibia in

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<sup>7</sup> On occasions when the identified land was unavailable and an alternative parcel obtained the proposed agricultural projects remained unchanged, despite significant changes in the land and its resources.

that the beneficiaries, not the state, were the willing buyers. Also transfers did not involve the prior acquisition of land by the state for subsequent resettlement for beneficiaries. In South Africa owners are not compelled to sell and, unlike the Namibian case, the state does not have first right of refusal. The role of the Department of Land Affairs (DLA) was restricted to screening applicants, determining the viability and sustainability of proposed projects, approving and supplying grants, subsidising the land transfer, and planning land use. However, it was not equipped to provide post-settlement support, such as extension advice and credit, which were respectively the roles of the provincial departments of agriculture and the Land Bank. Furthermore, many of the DLA's own tasks were outsourced to consultants, NGOs and other departments making it cumbersome bureaucratic machine. With the creation of the Agricultural Research Council and its national institutes in 1992, it was given the mandate to assist 'emerging' and existing black small farmers. As a consequence the various institutes became involved in both land restitution and land redistribution post-settlement support which included technology transfer and research.

By the late 1990s progress in land redistribution was extremely slow and way below the proposed target. Also the viability of many of the redistribution projects was questioned. According to Hall *et al.* (2003,) in their review of the first ten years of land redistribution, a major problem was the lack of resources made available for post-settlement support to beneficiaries. Most redistribution projects involved groups of applicants rather than individuals, as a result of the need to pool resources and the general unwillingness of the state and sellers to subdivide properties. Ultimately tensions and conflict arose within large groups who not only had to collectively work and manage the land but also had to pool their personal resources which were diverse given the heterogeneity of the groups. To qualify for grants these groups had to form legal landholding entities, e.g. communal property associations (CPAs) or trusts, to collectively manage the land. In many cases these formal institutions were so expected to assume responsibility for production. In 1999 a review of the SLAG programme was commissioned which led to it being phased out from 2001 and replaced by the Land Reform for Agricultural Development (LRAD) sub-programme.

LRAD shifted the previous focus of land redistribution from the poor to an emphasis on promoting black commercial farming, with a separate food security programme aimed at the poor (Jacobs et al. 2003). Larger grants, together with loan finance, were offered to applicants on a sliding scale, and the means test was removed to encourage black entrepreneurs to apply. While LRAD did not actively discourage groups coming together to farm two interesting trends emerge from our observations and those of others. First the LRAD projects that are composed of large numbers of poorer beneficiaries were actually identified before the 1999 moratorium on redistribution and when this was lifted they were included as part of the LRAD land transfer mechanism. Generally there are not a large number of these projects under the LRAD programme. Second, the most common group applicants in LRAD consist of members of the same household or family, making the resultant groups appear small and more homogeneous. A factor assumed likely to increase the chances of success. Often only one member of these household or family groups actively managed the farm purchased through LRAD. Policy makers appear to have seen the economic failure of agricultural land redistribution as in part a consequence of the lack of entrepreneurial capabilities rather than

perhaps the policy itself. Commercial orientation and profitability soon became a key criterion for approving the business plans required for all land reform projects. According to Lahiff (2007b:1589):

[T]he official emphasis on commercial 'viability' has increased considerably since the beginning of the land reform programme', ... the 'commercial' logic of LRAD is now applied to all land reform applicants, regardless of their resources, abilities, or stated objectives.

The implication is that land is only redistributed if it is going to be worked in a viable manner – commercial orientation on a significant scale. Subdivision was not encouraged and often beneficiaries were unaware of the possibility of this being undertaken formally. Provincial officials felt that their services would be over-stretched if they had to service hundreds of individual smallholder farmers while the commercial farming lobby did not want the commercial landscape 'littered' with hundreds of 'unproductive' poor households. As a consequence the implementation of LRAD gives little practical consideration to the poor who might require land as an asset and safety net. Close on 4 million black South Africans appear to use land as a safety net, producing food to supplement household supplies when other sources of livelihoods have weakened or are temporarily suspended as a result of seasonal employment (Aliber & Hart 2009). LRAD, like its predecessor SLAG, made no provision for the subdivision of farm land and thus applicants need to focus on the viable functioning of large farms but lack the required resources to operate these – especially during the crucial start-up phase. The unintended result is that the lack of initial resources further reduces the opportunities for planned success among the poorer of the successful applicants.

Since 2004 a number of agricultural support programmes for land reform beneficiaries were announced: the Comprehensive Agricultural Support Programme (CASP) in 2004; the Letsema-Iluma Campaign in 2007; and the Land and Agrarian Reform Project (LARP) in 2008. Most of these are implemented by the provincial departments of agriculture, and some commentators are of the opinion that these programmes appear to be continually under-funded, poorly planned and ineffective (Lahiff 2008; interviews with various consultants, officials and NGO personnel). These various programmes including the DRDLR RECAP programme of 2010 are discussed in more detail in Chapter 5.

Following government's acknowledgement at the 2005 National Land Summit that 'land reform was still not on track', the DLA shifted from LRAD to the Proactive Land Acquisition Strategy (PLAS) in 2006. PLAS is a state driven strategy that enables the state to target land for redistribution. The purpose of PLAS is to accelerate the land redistribution process by ensuring the DLA (and now DRDLR) can acquire land in agricultural corridors and other areas of high agricultural potential and lease these to beneficiaries. It also intends to improve the identification and selection of beneficiaries and the planning of agricultural settlement land and the maximum productive use of this land (DLA 2006). This is to be done by 'meeting' the abilities of applicants with the land and farming system acquired and ensuring that a mentor is available to support their production and market access. Successful land lessees have the opportunity to purchase the land at a later stage. How the state will deal with 'unsuccessful' lessees is unclear? This twenty-one page document

doesn't seem to have changed much with respect to agricultural land redistribution, probably due to its conceptual and overall weakness and vagueness. What it has done is increased the vagueness and questionability of the implementation of agricultural land redistribution and given more fuel to the sceptics of the anti-redistribution lobby in that, since 2006 R 3.7 billion worth of farm land has been purchased but only 397 households have been identified as beneficiaries of this land in mid-2010 (Hall 2011). As one commentator notes, either vast areas are unused and land has not yet been redistributed or a few South Africans are getting serious windfalls from the national fiscus (Hall 2011).

## **Presentation and discussion of the findings**

### ***Provincial Profiles of Land Reform Beneficiaries***

By way of introduction to presenting and discussing the findings of the research we start by providing a limited profile of household composition of the respondents per province and then per land transfer mechanism. We also look at current engagement in agriculture by the household respondents. This strategy avoids the long-winded and tedious use of descriptive statistics that are often used to describe profiles of respondents. Important issues such as gender are highlighted in later sections on land ownership and access. Here we confine ourselves to average household size, average portion of household member permanently employed and unemployed. A total of 301 land restitution and redistribution beneficiary households were surveyed across all six districts in the three provinces using the specifically designed Household Interview Questionnaire. Table 3.1 shows that overall the average size of the land reform beneficiary respondent households is 6.23 members. The largest average size household (7.54 members) of respondent beneficiaries is found in KwaZulu-Natal and the smallest average size (4.19) in the Western Cape. The North West respondent households had an average number of children per household almost double that of the Western Cape. Respondent households in all three provinces had on average one (1.06) person per household working full time, with almost two (1.8) being unemployed. Significantly, the highest average number of unemployed household members is to be found in KwaZulu-Natal, with an average of 3.1 (median =2). North West respondent households had an average of less than half that of KwaZulu-Natal, while the Western Cape had an average of almost six times smaller (0.553). The average number of unemployed members of the respondent households is greater in KwaZulu-Natal and the North West than in the Western Cape. Being South Africa's second wealthiest province and one without any former homeland areas may well explain the low unemployment trend for the Western Cape. KwaZulu-Natal is considered one of the poorest provinces and the two districts have large swathes of former homeland areas located in them, particularly Zululand, and this could explain the higher mean of unemployed for this province. The distribution of the North West with regard to unemployment, is situated between these two provinces, and can probably be explained using similar reasoning in that this province has a middling GDP and the districts selected had large former homeland areas, especially Ngaka Modiri Molema.

**Table 3.1: Average Household Demographic Profiles Per Province**

Province in SA	Variable	N	mean	max	min	median
<b>Western Cape</b>	HH size	103	4.19	10	1	4
	Number of children	103	1.07	4	0	1
	Number of HH members working full-time	103	1.14	4	0	1
	Number or HH members not working - unemployed	103	0.553	3	0	0
	Number of HH members who are fulltime scholars	103	1.12	4	0	1
<b>Kwazulu-Natal</b>	HH size	128	7.54	18	3	7
	Number of children	128	1.56	6	0	1
	Number of HH members working full-time	128	0.938	4	0	1
	Number or HH members not working - unemployed	128	3.1	13	0	2
	Number of HH members who are fulltime scholars	128	1.77	8	0	1
<b>North West</b>	HH size	70	6.81	20	2	6
	Number of children	70	1.7	8	0	2
	Number of HH members working full-time	70	1.16	5	0	1
	Number or HH members not working unemployed	70	1.26	11	0	1
	Number of HH members who are fulltime scholars	70	1.39	8	0	1
<b>Total</b>	HH size	301	6.23	20	1	5
	Number of children	301	1.43	8	0	1
	Number of HH members working full-time	301	1.06	5	0	1
	Number or HH members not working unemployed	301	1.8	13	0	1
	Number of HH members who are fulltime scholars	301	1.46	8	0	1

Note: N = 301, number of valid cases

A quick glance at Table 3.2 below indicates that SLAG respondent households tend to be larger in composition but not overtly so (median = 5.5). Sticking with the SLAG data and looking at the mean we can see that on average SLAG households tend to have more unemployed members than respondents who benefitted from other forms of land transfer. Again this difference is not overly significant and thus we are prevented from making any statements with regard to unemployment and type of land transfer mechanism

**Table 3.2: Household Demographic Size/Composition By Land Transfer Mechanism**

Land Transfer Schemes	Variable	N	mean	max	min	median
<b>Restitution</b>	HH size	11	5.82	13	2	5
	Number of children	11	1.36	5	0	1
	Number of HH members working full-time	11	0.818	4	0	0
	Number or HH members not working unemployed	11	1.64	3	0	2
	Number of HH members who are fulltime scholars	11	1.18	5	0	1
<b>SLAG</b>	HH size	76	6.29	14	1	5.5
	Number of children	76	1.51	5	0	1
	Number of HH members working full-time	76	0.921	4	0	1
	Number or HH members not working unemployed	76	2.18	10	0	1
	Number of HH members who are fulltime scholars	76	1.61	8	0	1
<b>LRAD</b>	HH size	158	6.34	20	1	5
	Number of children	158	1.46	8	0	1
	Number of HH members working full-time	158	1.13	5	0	1
	Number or HH members not working unemployed	158	1.68	13	0	1
	Number of HH members who are fulltime scholars	158	1.48	8	0	1
<b>PLAS</b>	HH size	26	5.35	16	2	5
	Number of children	26	1.19	4	0	1
	Number of HH members working full-time	26	1.08	3	0	1
	Number or HH members not working unemployed	26	0.885	4	0	0
	Number of HH members who are fulltime scholars	26	1.54	5	0	1.5
<b>Private Land Deal</b>	HH size	6	4.67	9	2	4

	Number of children	6	1.17	3	0	1
	Number of HH members working full-time	6	1.17	2	1	1
	Number or HH members not working unemployed	6	1.33	5	0	0
	Number of HH members who are fulltime scholars	6	0.5	2	0	0
<b>Other</b>	HH size	9	6	13	2	5
	Number of children	9	1.56	5	0	1
	Number of HH members working full-time	9	1.11	3	0	1
	Number or HH members not working unemployed	9	1.78	7	0	1
	Number of HH members who are fulltime scholars	9	0.889	3	0	1
<b>Total</b>	HH size	286	6.17	20	1	5
	Number of children	286	1.44	8	0	1
	Number of HH members working full-time	286	1.06	5	0	1
	Number or HH members not working unemployed	286	1.73	13	0	1
	Number of HH members who are fulltime scholars	286	1.47	8	0	1

Note: Other in this and subsequent tables refers to land rented or accessed from the municipality or other state sources but not actually part of the official Land Reform Programme. N = 286, number of valid cases

Table 3.3a below illustrates that 33% of respondent households did not currently engage in agriculture. In terms of provincial distribution most (57%) of those respondent households not currently involved in agriculture can be found in the Western Cape. Over two-thirds (67%) of the households are involved in agriculture, with most (97%) of those in the North West and KwaZulu-Natal (80%) being involved in agriculture. The reasons for this distribution and the relatively low number of households from the Western Cape currently engaged in agriculture is unclear. However, we suppose that the alternative and off-farm livelihood patterns in the Western Cape differ from those in the North West and KwaZulu Natal, primarily because the Western Cape is the second wealthiest province, in terms of GDP, next to Gauteng. We conjecture that job opportunities are perhaps more readily available in the Western Cape and there is less need to engage in some level of household agricultural production. By means of a careful analysis of the Labour Force Survey (LFS), Aliber (2009:40-1) has shown that the share of black including coloured) households involved in agriculture in the Western Cape is between 5-12%, while that in the North West is almost double, ranging between 13-20%. However, Aliber's evidence does not explain why the KwaZulu Natal proportions are lower than those of North West, as his analysis indicates the opposite. A possible explanation then for the observed differences is the difference of the data sources used. In this study provincial DRDLR administrative data was used and in Aliber's study he relied on the data from a national survey. These are different types of data and data sources that have been collected for very different purpose in different ways.

**Table 3.3a: Engagement In Agricultural Production By Province**

Engagement in Agriculture	Western Cape	Kwazulu-Natal	North West	Total
Not currently engaged in agriculture	58 56.86	25 20.16	1 3.13	84 32.56
Currently engaged in agriculture	44 43.14	99 79.84	31 96.88	174 67.44
Total	102 100	124 100	32 100	258 100

Note: N = 258 number of valid cases

In Table 3.3b, 33% of respondent households did not actively engage in agriculture. However, we see that 40% of LR households did not do so compared to 16% of those with ADS. Whilst two thirds of

households actively engage in agriculture, it is important to note that a higher proportion of households with programmed agricultural development support did so than those who have only benefited from land transfers: 84% versus 60%. Given a significant Chi-square test (12.2593 P = 0.000), it is clear that beneficiaries with programmed agricultural development support are more likely to actively engage in agriculture.

**Table 3.3b: Engagement In Agricultural Production Without And With ADS**

Engagement in agriculture	Without ADS	With ADS	Total
Not currently engaged in agriculture	71 39.66	11 16.18	82 33.2
Currently engaged in agriculture	108 60.34	57 83.82	165 66.8
Total	179 100	68 100	247 100

Note: N = 247, number of valid cases

### **Distribution of land transfer mechanisms**

If we consider the distribution of the different types of land transfer mechanisms by province we note that slightly more than half (55%) of all the respondent households received land via the LRAD distribution sub-programme. Receiving land through this mechanism is much more likely in the North West than in the other two provinces. Overall, slightly more than a quarter (27%) of the respondents had received land by means of the SLAG redistribution sub-programme. In this instance the respondents in the Western Cape and KwaZulu-Natal were respectively three to four times more likely to have received land through this mechanism in contrast to peers in the North West. Interviews with local officials and the sampling lists received suggested that these districts in the North West had been somewhat slow on introducing the redistribution sub-programme during its formative years. Perhaps the two most striking observations are those related to PLAS and to Restitution. Despite its relative newness, both the Western Cape and the North West provided more respondent households with access to land through PLAS than is the case in KwaZulu Natal. The lack of Restitution projects in the North West is in fact questionable. Interviews and the sample lists indicated there at least three of these projects in each sampled district. The only way to explain the absence in Table 3.4 is that the fieldworkers in the North West did not get to interview any of the households involved in Restitution projects. The general slow pace of rural restitution can account for the low relatively low proportion of restitution in contrast to other land transfer mechanisms. Furthermore, in total 15 of the 301 households interviewed (5%) in all the provinces were uncertain as to what type of land reform programme they were or had been part of. This lack of clarity suggests that they might have been part of large group schemes (typically the early SLAG and Restitution projects) but were unaware of the actual land transfer mechanism due to poor communication because of group dynamics.

**Table 3.4: Household Beneficiaries Per Land Transfer Scheme By Province**

Land Transfer Schemes	Western Cape	Kwazulu-Natal	North West	Total
Restitution Claim	6	5	0	11
	6	4.27	0	3.85
SLAG	27	43	6	76
	27	36.75	8.7	26.57
LRAD	47	59	52	158
	47	50.43	75.36	55.24
PLAS	13	5	8	26
	13	4.27	11.59	9.09
Private Land Deal	3	0	3	6
	3	0	4.35	2.1
Other	4	5	0	9
	4	4.27	0	3.15
Total	100	117	69	286
	100	100	100	100

Note: Other in this and subsequent tables refers to land rented or accessed from the municipality or other state sources but not actually part of the official Land Reform Programme. N = 286, number of valid cases

Table 3.5 below is similar to Table 3.4 above but disaggregates the above analysis to the level of the districts. Some interesting patterns emerge if we compare the two districts in each of the three provinces. In the Western Cape respondents in the West Coast District are more likely to have received land through restitution than those in the Eden/Karoo district. This is probably due to the high number of the ability of local residents to identify and prove linkages to former KhoiSan and Namaqua ancestral lands in the West Coast district. The Southern Cape (Eden/Karoo) on the other hand tends to have a denser number of mission stations and privately owned uncontested land (owned by coloured landholders). Respondents in the Eden/Karoo District are five times more likely to have benefited from PLAS than those on the West Coast. Focus Groups and key informant interviews suggest that there is greater conflict on the West Coast area amongst the actors involved in land reform and that this might account for the slow pace of PLAS in that district. Almost twice as many respondents in the Eden/Karoo District had benefitted from private land deals, while none of them seem to have accessed land through other means, which was more evident in the West Coast.

In KwaZulu-Natal we note that fewer households benefitted from SLAG in Zululand than those in Uthukela while more respondent households in Zululand benefitted from LRAD. This could be an indication of the slowness in getting land reform moving in certain places during the formative years. Interestingly, respondent households in Uthukela were more likely to have accessed land through PLAS. This is probably because extremely large parts of Zululand are former homeland areas and a lot of land is held by communal tenure and would not be accessed through the willing-seller, willing buyer model. Of course it could also indicate slowness on the part of officials in this area, as was suggested in some focus group interviews. While none of the respondents in either district had obtained land through private land deals only a few in Zululand had actually accessed land through means (e.g. municipal commonage) other than the land reform programme.

Respondents from Ngaka Modiri Molema District were much more likely to have received land through SLAG than those in Dr Ruth Mompati District. We can recall from our earlier discussion that initially SLAG aimed at the poorer community members and this particular district is home to a lot of

poor households living in former homeland areas. Some respondents, perhaps the wealthier or traditional elite, in Ngaka Modiri Molema seem to have benefited from private land deals. On the other hand respondents from Dr Ruth Mompoti seem to have benefited more from LRAD and PLAS – particularly LRAD where it was necessary to contribute own resources in order to secure grants and loans.

**Table 3.5: Household Beneficiaries Per Land Transfer Scheme By Municipal District**

Land Transfer Schemes	West Coast	Eden/Karoo	Zululand	Uthukela	Dr Ruth Mompoti	Ngaka Modiri Molema	Total
Restitution Claim	5 10.2	1 1.96	4 4.76	1 3.03	0 0	0 0	11 3.85
SLAG	13 26.53	14 27.45	28 33.33	15 45.45	1 2.63	5 16.13	76 26.57
LRAD	24 48.98	23 45.1	45 53.57	14 42.42	32 84.21	20 64.52	158 55.24
PLAS	2 4.08	11 21.57	2 2.38	3 9.09	5 13.16	3 9.68	26 9.09
Private Land Deal	1 2.04	2 3.92	0 0	0 0	0 0	3 9.68	6 2.1
Other	4 8.16	0 0	5 5.95	0 0	0 0	0 0	9 3.15
<b>Total</b>	49 100	51 100	84 100	33 100	38 100	31 100	286 100

Note: N = 286, number of valid cases

## Land Ownership and Land Use

As noted at the beginning of this Chapter various mechanisms have been introduced at different times during the course of land reform - they all have fundamental differences in their design and implementation. Similarly some people have received more programmed support than others. In this section we examine the relationships between gender of owner and user, type of land transfer mechanism and also the receipt or not of programmed agricultural development support.

In Table 3.6 we see that overall, slightly more than half (54%) of the respondent households indicated that men were more likely to own land distributed through the land reform process. Just less than a third of respondent households indicated that the land reform land was jointly owned by males and females in the households. The largest share of female land owners (29%) was reported in the Western Cape. In KwaZulu-Natal males made up almost 70% of the land owners, while in 60% of the households in the North West females and males jointly owned the land obtained through land reform. Joint ownership in the other two provinces was well under half of this figure.

**Table 3.6: Gender Of Land Owners By Province - Land Received From Land Reform Programme**

Gender of owner	Western Cape	Kwazulu-Natal	North West	Total
Female Owner	18 29.03	19 15.7	4 6.15	41 16.53
Male Owner	29 46.77	84 69.42	22 33.85	135 54.44
Both Female & Male Owners	15 24.19	18 14.88	39 60	72 29.03
Total	62 100	121 100	65 100	248 100

Note: N = 248, number of valid cases

Next we consider the relationship of the sex of the owner and the reception of agricultural development support (ADS) or not. From Table F we can see that while more than half of the households held land through their male members, only those households not receiving programmed agricultural development support were more likely to do so. A similar but less significant trend exists for those households that owned land exclusively through a female member. With respect to female and male co-ownership of redistributed land, we see that those households receiving programmed agricultural development support (ADS) were more likely to do so. The most likely reason for this is that older and single-sex owned portions or individual farms may well have been and older trend in redistribution targeting and now joint sex ownership was to some degree encouraged because of the increasing own-contribution required and evidence of potential owners' assets. New support programmes such as CASP and RECAP would be most likely targeting the newer farms transferred through LRAD and PLAS.

**Table 3.7: Gender Of Land Owners Without And With Ads - Land Received From Land Reform Programme**

Gender of owner	Without ADS	With ADS	Total
Female Owner	28 18.92	12 13.48	40 16.88
Male Owner	92 62.16	38 42.7	130 54.85
Both Female & Male Owners	28 18.92	39 43.82	67 28.27
Total	148 100	89 100	237 100

Note: N = 237, number of valid cases

From Table 3.8 we see that slightly less than half the users of the land obtained through land reform were male (47%) although male ownership was more than half (See Table 3.6 above). The share of female land users is similar to that of female land owners (16.88% and 16.53% respectively). The collaborative use of land is slightly increased in contrast to that of ownership. This pattern suggests that some male landowners permit female household members to jointly use their land. Provincial distribution indicates that the greater share of female and male individual users is to be found in the Western Cape and that the greater proportion of joint users is found in the North West. This later result is similar to the results on joint ownership reported above in (Table 3.6).

**Table 3.8: Gender Of Main Land User/s By Province- Land Received From Land Reform Programme**

Gender of user	Western Cape	Kwazulu-Natal	North West	Total
Female User	17 27.42	21 17.36	6 9.09	44 17.67
Male User	36 58.06	53 43.8	28 42.42	117 46.99
Both Female & Male Users	9 14.52	47 38.84	32 48.48	88 35.34
Total	62 100	121 100	66 100	249 100

Note: N = 249, number of valid cases

If we look at the relationship between land use and the receipt or not of ADS in Table H, we see a similar trend to that described in Table F above. While slightly less than half of the households' users were male members (47%), those households not receiving programmed agricultural development support were slightly more likely to have only male users: 49% versus 44%. A similar trend exists for those households where the land was exclusively used by a female member. With respect to female and male co-use of redistributed land, we see that those households receiving programmed agricultural development support (ADS) were more likely to do so: 40% versus 32%. However, male only users were slightly more prevalent (44%) than co-users (40%) in households receiving ADS.

**Table 3.9: Gender Of Main Land Users Without And With Ads- Land Received From Land Reform Programme**

Gender of user	Without ADS	With ADS	Total
Female User	28 18.92	14 15.56	42 17.65
Male User	73 49.32	40 44.44	113 47.48
Both Female & Male Users	47 31.76	36 40	83 34.87
Total	148 100	90 100	238 100

Note: N = 238, number of valid cases

By way of comparison of the above data we now consider the owners and users of land not obtained through the land reform process. Such land could be owned or accessed through communal purchase, lease hold, inheritance or some other form – the nature of this was not explored. Most of the owners of land not obtained through land reform land tended on average to be male (69%). Males formed the greatest share in the Western Cape (89%). The North West had the smallest share of male land owners (41%) but the slightly largest share of female owners (14%) in relation to the other two provinces. The greatest share of combined female and male owners is found among the North West respondent households (45%) with none being identified in the Western Cape.

**Table 3.10: Gender Of Main Land Owner/S By Province- Other Non-Land Reform Portions**

Gender of owner	Western Cape	Kwazulu-Natal	North West	Total
Female Owner	1 11.11	8 12.7	3 13.64	12 12.77
Male Owner	8 88.89	48 76.19	9 40.91	65 69.15
Both Female & Male Owners	0 0	7 11.11	10 45.45	17 18.09
Total	9 100	63 100	22 100	94 100

Note: N = 94, number of valid cases

In Table 3.11 we see that on average, at 72%, men are the largest group of non-land reform land owners. Slightly more men owned land from households that did not receive programmed agricultural development support than those in households who did: 73% versus 69%. The joint ownership of non-land reform portions suggests that households with programmed agricultural support were more likely to jointly own non-land reform land than those households who did not: 22% versus 13%. Historically land has been traditionally owned by men and passed through the male line. Also within communal tenure arrangements men generally requested access to communal land and held it on behalf of the household. Men have also been generally considered to be relatively better-off than women because of the historical patriarchal nature of many of South Africa's ethnic groups. This appears to remain the case although there is some evidence of co-ownership of such land. The female owners indicated at the top of the table may have inherited this land or obtained it by petitioning the traditional authority.

**Table 3.11: Gender Of Main Land Owner/S Without And With Ads- Other Non-Land Reform Portions**

Gender of owner	Without ADS	With ADS	Total
Female Owner	8 14.29	3 9.38	11 12.5
Male Owner	41 73.21	22 68.75	63 71.59
Both Female & Male Owner	7 12.5	7 21.88	14 15.91
Total	56 100	32 100	88 100

Note: N = 88, number of valid cases

On average males were the main users of non-land reform portions (58%). The greatest share of male users is found in the Western Cape. On average women are the smallest group of users of non-land reform land. The greatest share of female users of this land is found in KwaZulu-Natal. Joint use of this land (28%) was on average less than half that of male individual use and the greatest share of joint users (36%) are found in the North West. KwaZulu-Natal has 29% joint users while the Western Cape has none. One starts to get a general impression that males and female in the Western Cape do not like to co-own or co-work land.

**Table 3.12: Gender Of Main Land User By Province- Other Non-Land Reform Portions**

Gender of user	Western Cape	Kwazulu-Natal	North West	Total
Female User	1 11.11	9 14.52	3 13.64	13 13.98
Male User	8 88.89	35 56.45	11 50	54 58.06
Both Female & Male User	0 0	18 29.03	8 36.36	26 27.96
Total	9 100	62 100	22 100	93 100

Note: N = 93, number of valid cases

Again men appear on average (61%) to be the main users of land obtained from sources other than land reform in respondent households, while women continue to be the smallest group. However, there appears to be very little difference with regard to being a female user, a male user or a joint user of this land and receiving or not receiving agricultural development support. This could be indicative that programmed support as defined in this study is not readily available to other portions of that are non-land reform land. On the one hand such support might not be sought and on the other hand it might not be applicable because of ownership issues such as communal land tenure or the short-term lease of commonage and private land.

**Table 3.13: Gender Of Main Land User/s Without And With Ads- Other Non-Land Reform Portions**

Gender of user	Without ADS	With ADS	Total
Female User	7 12.73	5 15.63	12 13.79
Male User	34 61.82	19 59.38	53 60.92
Both Female & Male User	14 25.45	8 25	22 25.29
Total	55 100	32 100	87 100

Note: N = 87, number of valid cases

We now briefly look at the type of ownership of the land obtained through land reform and then consider if there is any relationship between ownership and receiving or not of ADS. In Table 3.14 we see that less than half of the land acquired through the land reform process is on average held by means of either an equity scheme partnership or Trust (47%). Unsurprisingly, the greatest share of this type of ownership is found in the Western Cape: 77% versus 44% in the North West and 27% in KwaZulu-Natal. Less than a third (32%) of the land owned by the respondent households is held through membership of a CPA (communal property association) with the greatest share of this type of ownership being found in KwaZulu-Natal (60%). We should recall that in the late 1990s there was a shift, at least in parts of the Western Cape, register SLAG projects as Trusts rather than CPAs, often with a non-project member as a trustee. This can account for the low number of CPAs in the Western Cape and the high number of Trusts.

**Table 3.14: Farmland Tenure Status By Province**

Tenure status	Western Cape	Kwazulu-Natal	North West	Total
Individual title/private	2 2.17	13 10.48	20 30.3	35 12.41
CPA group land tenure	6 6.52	74 59.68	9 13.64	89 31.56
Trust landholding (including Equity Schemes)	71 77.17	34 27.42	29 43.94	134 47.52
PLAS leasehold individual	13 14.13	3 2.42	8 12.12	24 8.51
Total	92 100	124 100	66 100	282 100

Note: N = 282, number of valid cases

Table 3.15 below explores land reform land tenure status in more detail considering its relationship to programmed agricultural support. While on average the two largest forms of land tenure are Trust landholding (including Equity Schemes) and CPA group land tenure the larger share of both these tenure types do not receive ADS

**Table 3.15: Farmland Tenure Status Without And With ADS**

Tenure status	Without ADS	With ADS	Total
Individual title/private	13 7.34	21 22.83	34 12.64
CPA group land tenure	57 32.2	22 23.91	79 29.37
Trust landholding (including Equity Schemes)	99 55.93	34 36.96	133 49.44
PLAS leasehold individual	8 4.52	15 16.3	23 8.55
Total	177 100	92 100	269 100

Note: N = 269, number of valid cases

The lack of subdivision has become a major concern in land reform debates in South Africa. Examination of Table 3.16 on the prevalence and type of land subdivision by province shows that on average 80% of beneficiary respondent households did not undergo formal subdivision. The greatest share of formal land subdivision (43%) was identified by the respondents in the North West. Informal subdivision was on average minimal (3%) with similar figures of 4% being found in both the Western Cape and KwaZulu-Natal and none in the North West. Clearly subdivision has not been a policy or practice priority. Even informal subdivision has been minimal. The latter probably a result of the misperception that the land cannot be informally subdivided and should follow historical patterns in order to be successful or attract support.

**Table 3.16: Nature Of Subdivision On Land Reform By Province**

Nature of subdivision	Western Cape	Kwazulu-Natal	North West	Total
No Subdivision	94 91.26	106 83.46	38 56.72	238 80.13
Formal Land Subdivision	5 4.85	16 12.6	29 43.28	50 16.84
Informal Subdivision	4 3.88	5 3.94	0 0	9 3.03
Total	103 100	127 100	67 100	297 100

Note: N = 297, number of valid cases

In Table 3.17 we see that 80% of respondent households did not subdivide their land. 88% of those household not receiving ADS did not subdivide their land compared to 66% who did receive ADS. Of the 17% of households that partook in formal subdivision, 9 percent of those not receiving ADS did so in contrast to the 32% of those receiving ADS. A greater proportion of households that received ADS were likely to be formally subdivided than those that did not. For small number of household respondents who reported owning informally subdivided land the presence of ADS seemed to make no difference to the likelihood of subdivision.

**Table 3.17: Nature Of Subdivision On Land Reform Without And With ADS**

Nature of subdivision	Without ADS	With ADS	Total
No Subdivision	166 87.37	62 65.96	228 80.28
Formal Land Subdivision	18 9.47	30 31.91	48 16.9
Informal Subdivision	6 3.16	2 2.13	8 2.82
Total	190 100	94 100	284 100

Note: N = 284, number of valid cases

## Land Reform Process and Support

The land reform process often takes a long period of time and also involves entering into a previously unfamiliar system of bureaucracy and regulation. The primary purpose here is to understand the general trends in how this process unfolded in different provinces as well as across to understand the nature of support, those involved and the impact this had on the experience and outcome of the land reform process to date. Experiences and support mechanisms here can be linked to the chapters on financing, infrastructure and production type.

In Table 3.18 we see that most respondent households were helped by government officials to identify the transferred farmland. The DRDLR officials in the provinces helped about 41% of the respondents and the DAFF officials in the provinces 29%. In KwaZulu-Natal most respondents were helped by DRDLR officials. In the Western Cape the DRDLR assisted 15% of the respondents, while the DAFF assisted 31% and the former land owner helped 23%. In the North West DAFF provincial officials provided the greatest share of support in identifying farmland (50%), followed by the DRDLR

(40%). While non-governmental organisations provided no farmland identification support in the North West, local municipal officials only provided assistance in the Western Cape.

**Table 3.18: Actor Assisted To Identify Land Reform Farmland By Province**

Actor helping identify farmland	Western Cape	Kwazulu-Natal	North West	Total
Former land owner	20 23.26	5 4.95	2 5	27 11.89
Appointed Mentor	5 5.81	2 1.98	1 2.5	8 3.52
DRDLR-local officials	13 15.12	64 63.37	16 40	93 40.97
DAFF local official	27 31.4	19 18.81	20 50	66 29.07
Municipality - local official	9 10.47	0 0	0 0	9 3.96
Farmer Association	6 6.98	5 4.95	1 2.5	12 5.29
Non-government Organisation	6 6.98	6 5.94	0 0	12 5.29
Total	86 100	101 100	40 100	227 100

Note: N = 227, number of valid cases

If we look at the relationship between receiving programmed agricultural development support or not and the type of actor helping to identify farmland a number of interesting patterns emerge. In cases where the former land owner assisted the respondent households the greater proportion of these households did not receive agricultural development support: 16% versus 1.5%. Such assisted households were less likely to receive support. In instances where DRDLR officials had assisted the respondents they equally likely (39%) or unlikely (43%) to be recipients or not of agricultural development support. However, when DAFF officials were involved in identifying land more than double the proportion of households were those that received ADS: 48% versus 21%. The greatest single share of households receiving ADS were those assisted by DAFF to identify farmland (48%). Firstly, if farm owners help identify land it could result in the formation of an equity scheme or trust in which the former landowner is a participant. As a result you may find that CASP and RECAP funding was not required or officials felt other projects were more needy. Secondly, until the advent of RECAP, the DRDLR was seldom involved with beneficiaries after land transfer. Thirdly, CASP is a DAFF grant and thus good and long-term relationships with beneficiaries, starting with land identification by DAFF officials might better facilitate access to CASP funding and programmed support.

**Table 3.19: Actor assisted to identify land reform farmland without and with ADS**

Actor helping identify farmland	Without ADS	With ADS	Total
Former land owner	25 15.92	1 1.49	26 11.61
Appointed Mentor	7 4.46	1 1.49	8 3.57
DRDLR-local officials	67 42.68	26 38.81	93 41.52
DAFF local official	33 21.02	32 47.76	65 29.02
Municipality - local official	8 5.1	1 1.49	9 4.02
Farmer Association	9 5.73	3 4.48	12 5.36
Non-government Organisation	8 5.1	3 4.48	11 4.91
Total	157 100	67 100	224 100

Note: N = 224, number of valid cases

In Table 3.20 We see that 45% of the respondents were assisted by the DRDLR officials in compiling and submitting their applications for land. A further 30% were assisted by DAFF officials. The remaining 25% were assisted by various actors of which the former land owner was the single largest category (8%). Examining the provincial breakdown we see that the former land owners provided more assistance in the Western Cape (20%) than in the other two provinces. DRDLR officials provided the greatest share of assistance in KwaZulu-Natal (72%), followed by the North West (38%) and the Western Cape (18%). DAFF officials provided the greatest share of assistance to beneficiaries in the North West (60%), followed by 32% in the Western Cape and 14% in KwaZulu-Natal.

**Table 3.20: Actor Who Assisted With Application For Farmland - Land Reform By Province**

Actor helping with redistribution application	Western Cape	Kwazulu-Natal	North West	Total
Former land owner	17 20.24	2 1.96	0 0	19 8.15
Appointed Mentor	8 9.52	1 0.98	0 0	9 3.86
DRDLR-local officials	15 17.86	73 71.57	18 38.3	106 45.49
DAFF local official	27 32.14	14 13.73	28 59.57	69 29.61
Municipality - local official	4 4.76	2 1.96	0 0	6 2.58
Farmer Association	5 5.95	5 4.9	1 2.13	11 4.72
Non-government Organisation	8 9.52	5 4.9	0 0	13 5.58
Total	84 100	102 100	47 100	233 100

Note: N = 233, number of valid cases

Table 3.21 considers the relationship between the type of actor assisting with the farmland application and receipt or not of agricultural development support. While the DRDLR officials provided the greatest share of support in this process there was no great significance between households that received agricultural support or not. We wouldn't really expect much difference because the DRDLR were the bureaucrats responsible for submissions. However, when DAFF officials were involved we again see that the higher proportion went to those who received agricultural development support: 48% versus 22%. Also those who received assistance from former land owners and appointed mentors tend to be those without programmed agricultural development support. Again those reasons suggested for the trend with regard to support and farmland identification apply here.

**Table 3.21: Actor Who Assisted With Application For Farmland - Land Reform Without & With ADS**

Actor helping with redistribution application	Without ADS	With ADS	Total
Former land owner	19 11.66	0 0	19 8.26
Appointed Mentor	9 5.52	0 0	9 3.91
DRDLR-local officials	78 47.85	27 40.3	105 45.65
DAFF local official	36 22.09	32 47.76	68 29.57
Municipality - local official	4 2.45	1 1.49	5 2.17
Farmer Association	6 3.68	5 7.46	11 4.78
Non-government Organisation	11 6.75	2 2.99	13 5.65
Total	163 100	67 100	230 100

Note: N = 230, number of valid cases

## Land Use Planning

This section considers who assisted the beneficiary households with land use planning. (The main purpose was to determine the main reason for the current form of land use and agricultural activity and what factors have prompted this situation and any reported changes – however the lack of stats prevents this discussion).

95 respondents indicated that they either did not know or that they were not helped by anybody to plan the use of the farmland they received through the land reform programme. Of the remainder we see in Table 3.22 that the majority were helped by DAFF officials (51%). A further 20% were helped by DRDLR officials while the former land owners helped 10%. The greatest support from the DAFF was experienced in the North West (78%), followed by KwaZulu-Natal (53%) and the Western Cape (35%). The greatest share of DRDLR support in land use planning was in KwaZulu-Natal (27%), followed by the Western Cape (21%) and the North West (9%). Again the former land owners provided most of their support in the Western Cape (23%), with none to KwaZulu-Natal respondents and little to those in the North West (4%). While we would expect the DAFF, the former owners and the appointed mentors to be involved in land use planning it seems quite strange that 20% of households received this type of support from the DRDLR – these are generally not officials who have agricultural planning and land use expertise.

**Table 3.23: Actor/Stakeholder Assisted With Farmland Management Plan/ Manage Farming- Land Reform By Province**

Actor helping with land use plan	Western Cape	Kwazulu-Natal	North West	Total
Former land owner	19 23.17	0 0	2 4.35	21 10.19
Appointed Mentor	8 9.76	1 1.28	0 0	9 4.37
DRDLR-local officials	17 20.73	21 26.92	4 8.7	42 20.39
DAFF local official	29 35.37	41 52.56	36 78.26	106 51.46
Municipality - local official	3 3.66	4 5.13	3 6.52	10 4.85
Farmer Association	1 1.22	6 7.69	0 0	7 3.4
Non-government Organisation	5 6.1	5 6.41	1 2.17	11 5.34
Total	82 100	78 100	46 100	206 100

Note: N = 206, number of valid cases

Table 3.24 is an examination of the relationship between the actors who assisted with the farmland use plan and the receipt of agricultural development support or not. Again the trend is similar to those analyses above. While 52% of households received support from local DAFF officials with their farmland use plan we note that 43% of those not receiving ADS did so in contrast to the 69% receiving ADS. While 20% of households received DRDLR assistance we see that 25% of those households not receiving ADS did so in contrast to the 10% receiving ADS.

**Table 3.24: Actor/Stakeholder Assisted With Farmland Management Plan/ Manage Farming- Land Reform Without & With ADS**

Actor helping with land use plan	Without ADS	With ADS	Total
Former land owner	19 14.39	2 2.86	21 10.4
Appointed Mentor	5 3.79	4 5.71	9 4.46
DRDLR-local officials	34 25.76	7 10	41 20.3
DAFF local official	57 43.18	48 68.57	105 51.98
Municipality - local official	7 5.3	3 4.29	10 4.95
Farmer Association	3 2.27	4 5.71	7 3.47
Non-government Organisation	7 5.3	2 2.86	9 4.46
Total	132 100	70 100	202 100

Note: N = 202, number of valid cases

## Conclusion

The conclusion summarises the key points discussed in the previous sections and considers the contribution that land reform has made with regard to reducing historical inequalities relating to land access and (immovable) property rights and the social and economic implications thereof.

The chapter on land provides an overview of the policy and programme context of land reform and then proceeds to discuss the findings of the study with regard to land mainly received through the land reform process (restitution and redistribution sub-programmes) and how the respondents were supported in identifying, applying for land and developing land use plans land. Who the primary owners and users of land are is discussed and so is the subdivision (formal and informal) of land. Cutting across these various questions we also consider whether or not there is any observed differences in the provinces and if the receipt or not of programmed agrarian development support (ADS) has any notable impact on these questions.

More than half (55%) of all the respondent households received land via the LRAD distribution sub-programme. Receiving land through this mechanism is much more likely in the North West than in the other two provinces. Slightly more than a quarter (27%) of the respondents had received land by means of the SLAG redistribution sub-programme. Respondents in the Western Cape and KwaZulu-Natal were respectively three to four times more likely to have received land through this mechanism in contrast to peers in the North West. Despite its relative newness, both the Western Cape and the North West provided more respondent households with access to land through PLAS than is the case in KwaZulu Natal. The general slow pace of rural restitution can account for the relatively low proportion of restitution in contrast to other land transfer mechanisms.

Overall, slightly more than half (54%) of the respondent households indicated that men were more likely to own land distributed through the land reform process. Just less than a third of respondent households indicated that the land reform land was jointly owned by males and females in the households.

On average the two largest forms of land tenure are Trust landholding (including Equity Schemes) and CPA group land tenure the larger share of both these tenure types do not receive programmed agricultural development support. Less than a third (32%) of the land owned by the respondent households is held through membership of a CPA (communal property association) with the greatest share of this type of ownership being found in KwaZulu-Natal (60%).

On average 80% of beneficiary respondent households did not undergo formal subdivision. The greatest share of formal land subdivision (43%) was identified by the respondents in the North West. Informal subdivision was on average minimal (3%) with similar figures of 4% being found in both the Western Cape and KwaZulu-Natal and none in the North West.

## **CHAPTER 4: RURAL LIVELIHOODS**

### **Introduction**

Rural development and land reform have been identified as one of five key priorities for creating a better life for all in South Africa (DRDLR, 2012) As part of a broader rural development plan South African government has committed itself to halving poverty between 2004 and 2014. Achieving household food security remains a critical component for meeting this objective. Outcome Seven of the current administrations Plan of Action aims to promote **“vibrant, equitable and sustainable rural communities and food security for all”** as a means for combating marginalisation of rural poor communities. It sets out to achieve this through several outputs including a focus on sustainable agrarian reform, improving access to affordable and diverse food, enhancing rural services and sustainable livelihoods, promoting rural job creation linked to skills training and economic livelihoods (DRDLR, 2012).

Prioritising rural development, poverty reduction and chronic food insecurity is informed by the reality that South Africa remains among the most unequal societies in the world with unprecedented levels of absolute poverty and unemployment.

This chapter looks at the role that access to land and agrarian development support plays in enhancing livelihood outcomes and reducing poverty specifically among land reform beneficiaries in South Africa. Key questions which it sought to answer are as follows -:

- Has land and agrarian reform produced a radically different livelihood dynamic?
- What forms of production, investment and accumulation are going on in land reform programmes?
- How and under what factors is agrarian reform contributing to improved incomes and sustained poverty reduction?

To contextualize the answers to these questions, the next section begins with a brief demographic profile of rural communities in South Africa. This is followed by a discussion of concepts pertaining to sustainable rural livelihoods. The third part of this chapter provides an overview of agrarian reform and rural livelihoods issues raised in available literature pertaining to South Africa. Thereafter the chapter analyses available data on rural livelihoods of land reform beneficiaries with and without agricultural development support through drawing on primary data collected in three provinces during 2012.

### **Demographic Profile of Rural Communities in South Africa**

Spatial patterns of development, a legacy of our colonial and apartheid past, have resulted in a concentration of poor black households to be found in former Bantustans and rural areas most of whom are marginalised and excluded from participation in the formal economy. 38% (19,14 m) of

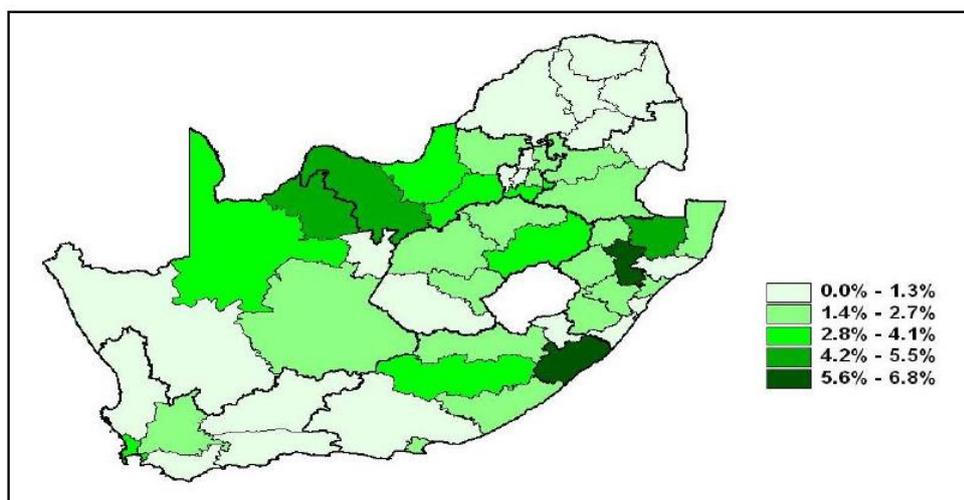
the country's population reside in rural areas reflecting a decrease of 10% point since 1994 (World Bank, 2012) mainly as a result of migration away from rural areas to small towns and cities.

South Africa has a large rural population residing on private commercial farms (1,5 m households) and the communal lands of the former homelands (2,3 m households) (Van Horen & Eberhard, 1995 in Shakelton et al.).

Black rural populations, particularly Africans share disproportionately in the levels of poverty in South Africa, although the National Income Dynamics Survey (2008) suggests that the share of rural poverty has fallen from 70% in 1993 to 57% in 2008. Evidence suggests that the levels of poverty and inequality would have been higher in the absence of social grants which are targeted to the elderly, children and those living with disabilities. Rural dwellers are largely excluded from participation in the formal economy with agricultural employment levels dropping from 1,8 million in 1971 to just under 600 000 in 2012 (NPC, 2012).

The persistence of poverty and the high level inequality is largely due to the inability of government to create employment. South Africa's unemployment rate is one the highest in the world with an expanded unemployment rate of 40%<sup>8</sup> and with women bearing a higher unemployment burden (46%) compared with men (34,2%.) In some of these areas unemployment is as high as 70% compared to 46% nationally (Jacobs). Although South Africa is self-sufficient in food production at a national level (Altman, Hart & Jacobs 2009) there is considerable household food insecurity. Aliber (2009) suggests that a large proportion of food insecure households can be found in rural areas as the table below illustrates. Against this backdrop its unsurprising that agriculture would be expected to play an important role in alleviating poverty and food insecurity as literature on rural development posits.

**Figure 4.1: Proportion of Households per District Municipality who experience hunger "often" or "always"**



*Source: Aliber 2009, calculated from Stats S-A, General Household Survey 2007*

<sup>8</sup> **Unemployed (expanded definition):** Persons who did not work, but were available to work in the reference period.

## **Policy and Programme Responses poverty, rural development and food insecurity**

In South Africa, it is estimated that approximately four million people engage in smallholder agriculture for various reasons, and the majority of these people are to be found in the former homeland areas. Evidence suggests that black households with access to agricultural land reported that agriculture contributes 15% of the total household income, but for the poorest quintile the contribution stands at 35% (Aliber, 2005).

The most common reason given for engaging in agriculture is procuring ‘an extra source of food’, which has seen an expansion over time at the expense of the reason given for engaging in agriculture as a ‘main source of food’ or purely for subsistence. The government of South Africa places particular importance on subsistence agriculture in its efforts to fight food insecurity and poverty (Baipeti et al.) in terms of its potential contribution to household food security in the context of inflation and high food prices.

The National Growth Path (2010) and the National Development Plan Vision 2030 both articulated a vision of an integrated rural economy with land reform, job creation and rising agricultural production contribution to this vision. The NDP specifically outlines the potential of agriculture to generate 1 million jobs in agriculture through an effective land reform programme and growth of irrigated and land based agriculture. The figure below sets out how this ambitious 1 million target is expected to be achieved.

**Table 4.1: Potential for Job Creation in Agriculture, 2012**

<b>Target group</b>	<b>Primary jobs created</b>	<b>Secondary jobs created</b>	<b>Assumption</b>
Labour-intensive winners	200 000	100 000	Critically, this requires investment in irrigation, support to smallholder farmers and their ability to grow their businesses.
Labour-extensive field crops	10 000	5 000	This reflects a “high road” or optimistic scenario and assumes that the current decline in employment in commercial farming is halted.
Labour-extensive livestock	40 000	25 000	This reflects a “high road” or optimistic scenario and assumes that the current decline in employment in commercial farming is halted.
<b>Total</b>	<b>643 000</b>	<b>326 500</b>	<b>969 500</b>

Source: NDP Vision 2030

The multipronged plan also focuses on increasing access to basic services in rural communities, enhancing employment conditions of farm workers and exploring potential for growing agro-processing sector in South Africa.

To this end government has rolled out several interventions to address poverty and livelihoods including public employment programmes targeted to rural communities and specifically targeting women and youth such as the Expanded Public Works Programme (EPWP), the Community Work Programme (CWP), the Comprehensive Rural Development Programme (CRDP), the national youth skills development and employment programme National Rural Youth Service Corps (NARYSEC) and the National Integrated Food Security Strategy (DoA, 2002).

These are in addition to a range of social protection interventions government has implemented including one of the most extensive cash transfer programmes globally targeting young children, elderly and the disabled. The ultimate goal is to reduce poverty by half by 2024. Transfer payments, be they remittances or pensions, have sustained the rural areas for many decades and there is no sign that this is likely to suddenly be replaced with a turn to commercial agriculture and non-agricultural enterprise.

## **Livelihoods framework**

Livelihoods thinking originated in the mid 1980's from the works of Robert Chambers on "wellbeing" and Amartya Sen on capabilities. This thinking was subsequently further developed by Conway and others in the 1990's and simply defined "a livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living (Scoones 1998, p. 5). Ellis (1998, 2000) makes reference to the livelihoods pentagon, which depicts the interdependent relationship between five dimensions of livelihoods assets or capital as outlined in the figure below namely:

- human capital –education, skills, knowledge, ability to labour, good health and physical capabilities.
- social capital - relationships and networks upon which people draw then pursuing different livelihood strategies.
- natural capital – land, water, air
- economic or financial capital - money, loans, savings, credit/debt and other economic assets
- physical capital – infrastructure, equipment, technologies and other productive assets essential for the pursuit of livelihoods

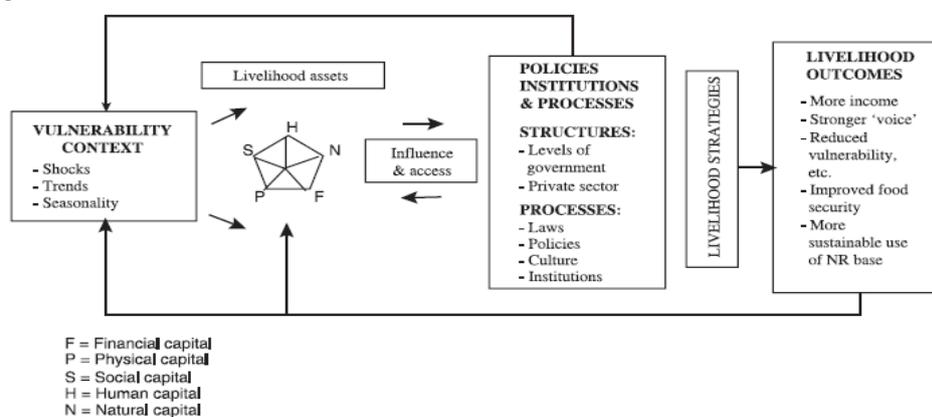
The concept of sustainable livelihoods is increasingly becoming central to the discussions around rural development and poverty reduction. The Sustainable Livelihoods framework was developed by DFID (1999) provides a theoretical and analytical tool for understanding livelihoods of land and agrarian reform beneficiaries and the connectedness to poverty, hunger and food insecurity (Lemke et al, ). Livelihood is considered sustainable when it can cope with and recover from stresses and

shocks, maintains or enhances its capabilities and assets, while not undermining the natural resource base”.

Ellis (1998, 2000) identifies the following as relevant outcome indicators for measuring impact of livelihoods strategies:

- Employment both on and off farm
- Increased income – from wages, marketed products and increased regularity of income as well as more egalitarian sharing of income within households.
- Asset accumulation including land owned or accessed
- Increased agricultural productivity, skills and capacities developed and changes in consumption patterns – namely increased household expenditure on both durable and non-durable goods.
- Improved access to clean water, housing, fuel, ownership of household items
- Increased well-being: Improved access to clean drinking water and to sanitation, improved housing
- ownership of household items, and access to fuel for cooking.
- Reduced vulnerability: Improved access to social infrastructure like schools and clinics, increased mobility.
- Improved food security (from self-provisioning and increased disposable cash income) resulting in improved nutritional status.
- More sustainable use of the natural resource base.

**Figure 4.2: Livelihoods Framework**



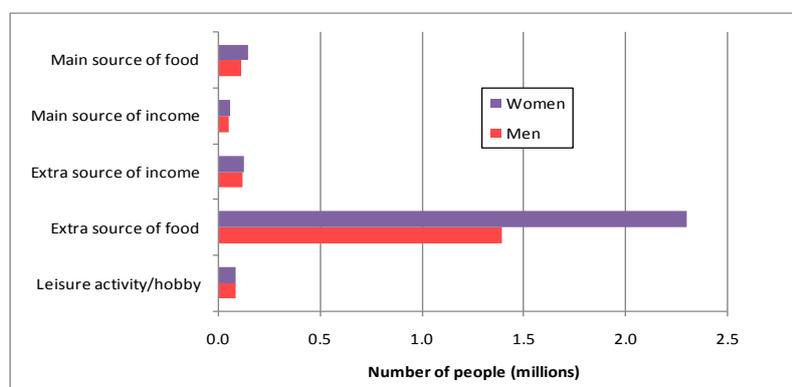
Source: Ellis (2000)

## Gender and livelihoods

According to Razvia (2007) land and agrarian reforms in the past were gender blind, based on an assumption that asset accumulation in households would equally benefit all members of the household. However evidence suggests that when ownership of land is vested in males, it often results in women providing unpaid family labour and hence can be exploitative.

South Africa in transitioning to democracy has often been cited as an example for legitimising gender rights and at a legislative and policy level this is true. However the practise reveals a very different picture. South African women are often the ones responsible for feeding their families and a lack of food is therefore their problem to solve. Agricultural production, as an extra source of food, is an activity largely conducted by female household members in household food gardens. This is despite the fact that female headed households constitute less than 40% of the households in South Africa. Therefore, the role of women is particularly important to ensuring household access to food. This is clearly reflected in Figure 4.3, using the LFS of March 2007, wherein women make up almost 61% of those involved in farming, they exceed men by 65% when the main reason for engagement is production as an extra source of food.

**Figure 4.3: Gender of black farmers in South Africa**



Source: Aliber and Hart 2009: 440

There is a gap in knowledge about the gendered dimensions of food security which limits our household level understanding of gender relations and their impact on food security. This study hopes to help us understand the gendered impacts of the land and agrarian reform programme in South Africa.

### **Livelihoods in the context of agrarian reform**

Research (Hall, Jacobs, Lahiff 2003) suggests that increased access to land and security of land rights are not in themselves sufficient for addressing poverty and inequality. It is noted that very little empirical evidence exists showing that land reform improves livelihoods in South Africa. This appears to reflect on international experience of agrarian reform.

A mid-term review of the Land Reform Pilot Programme noted that 'there remains a real danger that land reform communities could become poverty traps' (Turner, 1997: 10) and called for a focus on agrarian reform, where property rights are transformed together with 'the more productive use of assets to increase both efficiency and incomes' (p 4). (Cousins

What research does tell us is that asset holding is important in building pathways out of poverty and that factors which impact negatively on land based livelihoods include lack of direct access to land to

allow beneficiaries to graze their own livestock and to cultivate individual fields for their own benefit. Other factors which can inhibit asset accumulation include poorly functioning markets, discriminatory legislation and an ineffective public sector.

A study commissioned by the Organisation for Economic Co-operation and Development (OECD 2006:25) found that the ability of land reform to alleviate poverty was extremely poor. Importantly it suggested that rural poverty in South Africa is distinguishable from that in other African countries in at least three ways:

- among the rural poor, income generated directly from agricultural activities and food consumed from own farm production are minor components of household resources (estimated at 10% to 20% of the total);
- many households continuously rotate between rural and urban base; and
- rural society is closely linked to the social and health problems of urban areas.

## **Primary research evidence: presentation & discussion**

### ***Defining the 'rural poor'?***

The research tools developed for this study gathered information on common understanding of who would be defined as rural poor, especially in so far as assessing whether interventions were being appropriately targeted.

A direct question *"who would you classify as being part of the "rural poor"?* was asked of all stakeholders interviewed namely government officials, civil society stakeholders and key experts and their responses are summarised below.

Respondent's responses across the different stakeholder groups were largely similar with "rural poor" being defined by various categories namely -:

- Current land status –landless people including those displaced or dispossessed, those who lived on communal land, those without tenure including farm dwellers as well as those who were land reform beneficiaries.
- Nature of economic activity – farm workers and labour tenants and unemployed, casually employed workers and subsistence farmers. One respondent made mention of those with limited access to finance or inputs for agricultural activities.
- Income levels – those who fell below the poverty line, although no poverty line was actually mentioned, those earning threshold was less than R 100 000 per annum and those who earned below minimum wages for farm workers. Included here were households reliant on social grants.
- Food insecurity – households which were food insecure were mentioned as an indicator of rural poverty as well as those who paid a "high price" for food.
- Location – those living in remote areas and those who live far from and/or unable to access to basic services easily. One respondent indicated that all rural people are deemed poor, while

another indicated that those living in informal settlements around commercial farming hubs should be included as part of the rural poor.

- Demographic characteristics – gender – with women being indicated as poor, those living with disability and children. A government stakeholder was the only person who identified black people as a racial category of those in poverty.
- Health and Wellbeing Status– one respondent indicated those who were vulnerable due to illness and another who mentioned those who appear to be struggling to survive.

Two more nuanced definitions of who constitute rural poor came from the experts interviewed -:

*“Rural poor are basically people living in the former homeland areas, current farmworkers on commercial farms and former farmworkers who now live in rural or urban informal settlements due to the catastrophic loss of employment since the 1990s. Former farmworkers have never been targeted as beneficiaries of LR. They have been forgotten. Former farmworkers are neglected in SA LR.”*

*“90% of rural dwellers. These include farmworkers, former homeland residents and many black farmers in the former homelands. Note that the GHS of 2010 indicated that 60% of smallholders live below the income poverty line used in that survey. Most of the farmers in the former homelands are not doing very well. Success is the exception rather than the rule despite the various programmes to transfer land and provide support.”*

Stakeholders were asked to identify indicators by which they would measure or monitor reduction in poverty and inequality. The indicators most frequently mentioned by both government and civil society stakeholders were -:

- Job creation
- Food security
- Increased food production
- Training and skills development
- Poverty Reduction
- Increased agricultural production (crop and livestock)
- Increased participation in value chain agricultural activities.

The indicators mentioned above correspond to several of the dimensions of livelihoods described in the literature and as illustrated in the livelihoods pentagon earlier in this chapter. None of the responses indicated any value attached to social resources (networks, social claims, social relations, affiliations, and associations) upon which people draw when pursuing different livelihood strategies as indicators for measuring poverty and inequality. More specifically, given the focus of this study on land and agrarian reform none of the respondent indicated improved income, secure tenure and accumulation of land or physical assets as key indicators for measuring poverty and inequality reduction.

### **Demographic Profile of land reform farm households**

Beneficiary profiles have been described in an earlier chapter of this report and are briefly summarised here in terms of its relevance to the discussion on livelihoods.

A total of 301 land reform beneficiary households were surveyed in the three selected provinces- see Chapter 2 for a detailed discussion of the methodology. The average size of households of land reform beneficiaries is approximately 6.23 members with the largest average household sizes to be found in KwaZulu-Natal (7.54 members) and the smallest average household size in the Western Cape (4.19 members). According to the Living Conditions Survey (LCS) 2008/09 report the average household size in the survey year in South Africa was 3,9 members with poor households tending to be larger at 5,4 members. The beneficiary households in this study in the North West and KwaZulu-Natal are much larger.

Respondent households in all three provinces had an average child population of 1.43 with North West having almost double the number of children (1.7) than that of Western Cape households (1.07). The national average of children in households according to the LCS 2008/09 is 1.5, with poor households having on average 2.5 children per household.

In terms of employment respondent households in all three provinces had on average one (1.06) person per household working full time. The LCS 2008/09 data indicated that more than a third (37, 6 %) of poor households had one person employed. We also found that on average almost two people (1,8) were unemployed with a higher number of unemployed household members to be found in KwaZulu-Natal (average of 3.1) and the least number of unemployed household members was to be found in Western Cape. This is not surprising as KwaZulu-Natal is considered one of the poorer provinces in South Africa and Western Cape is one of two of the richer provinces in South Africa. The LCS 2008/09 data reveals that 38,9% of poor households had no adult employed compared with the national average of 25,5%.

**Table 4.2: Household Demographic Profiles with and without Agricultural Development Support (ADS)**

<b>Average number of Household members</b>	<b>Without ADS</b>	<b>With ADS</b>	<b>Total</b>
Household size	5.84	6.85	6.18
No of children	1.35	1.63	1.44
No of employed	1	1.19	1.06
No of unemployed	1.81	1.63	1.75

In Table 4.3 above it can be seen that with the exception of household size being slightly larger where the household is accessing agrarian development support there is no discernible difference for the other demographic features.

In terms of gender we can see from Table 4.4 below that fewer women headed households accessed agricultural development support than male headed households. Provincial variations could be seen

in the distribution of gender of households with North West and KwaZulu-Natal having higher proportion of female headed households 29,75% and 28,57% respectively.

**Table 4.3: Gender of Head of Household without and with ADS**

Gender of household	Land Reform Without ADS (N=185)	Land Reform With ADS (N=95)	Total (N=280)
Female Headed	30.81	17.89	26.43
Male Headed	69.19	82.11	73.57

Educational Attainment: A quick glance at table below (Table 4.4) indicates that the head of beneficiary households in the Western Cape had higher levels of educational attainment than those in the other two provinces with 63.16% of women and 48.15% of men having attended high school. In view of the manner in which the question was asked it was not possible to discern if attendance at high school meant successful completion of matric. Interestingly more females than males in the Western Cape had attained high school level education. In comparison the smallest number of women (19.44%) had attained high school education in KwaZulu-Natal. This was also the province with the largest number of female and male headed households who had not ever been to school with 36.11% women and 32.94% male.

When educational attainment was examined in relation to access to ADS no discernible difference was found between beneficiaries who had accessed ADS and those who had not. Female headed households with ADS who had either never been to school or only completed primary schooling constituted 70.5% while female headed households without ADS constituted 66.67%. The data for male headed households with and without ADS was 48.71% and 55.56% respectively. According to the LCS 2008/09 data nationally 14.4% of adults had successfully completed matric.

**Table 4.4: Share of Household's Reporting Level of Educational Attainment of Household Head by Gender and Province**

Educational Level	Western Cape		Kwazulu-Natal		North West	
	Female (N=19)	Male (N=81)	Female (N=36)	Male (N=85)	Female (N=20)	Male (N=50)
No schooling	10.53	3.7	36.11	32.94	25	18
Primary Schooling	26.32	43.21	44.44	29.41	45	32
High School	63.16	48.15	19.44	36.47	25	36
Tertiary Education	0	4.94	0	1.18	5	14

**Table 4.5: Share of Households Reporting Members Absent/PRESENT BY PROVINCE**

Status of Household Member	W. Cape (N=102)	KZN (N=125)	NW (N=70)	TOTAL (N=297)
Member Absent	2.94	19.2	27.14	15.4
Member Present	97.06	80.8	72.86	84.51

Table 4.5 above reflects that the largest percentage of absentee household members could be found in North West (27.14%) followed by KZN (19.2%) and the least in the Western Cape (2.94%). This may be explained by the fact that more employment opportunities are available close to where people reside in the Western Cape as compared with the other two provinces.

**Table 4.6: Share of Households Reporting Members Absent/Present Without And With ADS**

Status of Household Member	LR Households without ADS (N=189)	LR Households with ADS (N=95)	TOTAL (N=284)
Member Absent	12.7	18.95	14.79
Member Present	87.3	81.05	85.21

If we consider the information reported in table 4.6 above we find a slight difference between households accessing ADS which had larger percentage of household members absent at 18.95% compared with 12.7% of members absent from households not accessing ADS. This would appear to be consistent with research findings that suggest that land based livelihoods is not the primary source of income for many rural households.

### ***Land ownership***

Asset holding is a critical to enabling households to develop pathways out of poverty and importantly to enable households to limit their vulnerabilities arising from shocks, although on its own it is not sufficient to reduce poverty.

Hart suggests that (2012) obtaining land can be viewed as a tangible household livelihood asset in terms of the potential this land provides for production of crops for subsistence or commercial value, for rearing livestock and thereby increase household assets and ownership of the land would be viewed as an investment which could be subdivided, leased, used as collateral, retained as an asset and even sold fully or in part.

Land reform beneficiaries were asked to describe in hectares how much land had been allocated to them via land reform, how much land they had acquired outside of land reform and how much land remained unused.

**Table 4.7: Farmland owned, accessed and utilized by beneficiary households per Province (in hectares)**

Province	Variable	N	Mean
Western Cape	Reported land size – land reform	70	232.1
	Reported land size – non land reform	37	26.57
	Reported land size – unused	37	89.03
KwaZulu-Natal	Reported land size – land reform	104	1035
	Reported land size – non land reform	54	81.41
	Reported land size – unused	41	85.46
North West	Reported land size – land reform	62	986
	Reported land size – non land reform	35	185.1
	Reported land size – unused	31	33.77
<b>TOTAL</b>	Reported land size – land reform	236	784.1
	Reported land size – non land reform	126	94.1
	Reported land size – unused	109	71.97

N = 236, no of valid cases

Although the national average land reform transfer reflects approximately 784 hectares per beneficiary household, Table 7 above shows that the average land reform transfers in KwaZulu-Natal and North West were substantially larger than land reform transfers in the Western Cape. The largest average size of land transferred under land reform is to be found in KwaZulu-Natal with 1035 hectares while the smallest average size of land transferred under land reform was in Western Cape with 232.1 hectares.

Available non land reform land available to beneficiary households was also approximately seven times smaller in the Western Cape (26.5 hectares) than the non-land reform land available to beneficiaries in the North West (185.1 hectares). Similarly the non-land reform land available in KwaZulu-Natal (81.4 hectares) was less than half of that available to beneficiaries in North West.

Of concern was the evidence that the highest percentage of unused land by beneficiary households was to be found in the Western Cape (89 hectares), despite the fact that these beneficiaries had access to the smallest amount of land in comparison with the other two provinces. Under-utilisation of land was the lowest in the North West with an average of 34 hectares remaining unused.

**Table 4.8: Farmland owned, accessed and utilized by beneficiary households without and with agricultural development support (in hectares)**

Variable	Without ADS	With ADS	Total
Reported land size - Land Reform	139	85	224
	779.9	783.1	781.1
Reported land size – non land reform	76	47	123
	70.68	131.1	93.77
Reported land size – unused	61	43	104
	79.74	62.16	72.74

N = no of valid cases

In Table 4.9 land size transferred under land reform was not significantly different for those who beneficiaries who had received agricultural development support and those who had not. The table above also reflects that the unused portions of land between those beneficiaries with agricultural development support (62.16 hectares) were slightly smaller than those without agricultural support (79.74). What the table also shows is that land reform beneficiaries who had accessed agricultural support had access to an average of almost double the size of non-land reform land at 131.1 hectares compared with households without agricultural support whose non land reform land share was on average 70.68 hectares). The reasons for this remain unclear. We conjecture that beneficiaries with larger share of access to land would be likely to be identified for support to enhance commercial farming activities.

**Table 4.9: Farmland utilization for cropping and grazing without and with agricultural development support (in hectares)**

Variable	Without ADS	With ADS	Total
Farmland for cropping	121	67	188
	58.89	107.3	76.1
Farmland for grazing	109	63	172
	288.8	573.3	393

An interesting pattern emerges when we consider the land utilization for cropping and grazing for households without and with agricultural development support. We find that the average utilisation is almost double for those who have received agricultural support and we can surmise that accessing agricultural support provides an enabling environment for cropping and grazing.

## **Agricultural Production and Sales Values**

The ability to pursue land based livelihoods is dependent on tangible and intangible natural, human and financial and physical assets available to people. In this study we asked if beneficiaries the several questions about their engagement in agricultural activity.

These questions were -:

Q C.1.	Has the household been involved in the production of any kind of food or agricultural products, during the past twelve months? (E.g. livestock, crops, poultry, food gardening, forestry, fish etc.)
Q C.2.	What kinds of food production/agricultural activities is the household involved in?(A list of 10 options were given)
Q C.2.	Why do you grow farm produce or keep stock for the household? (Respondents were asked to indicate which options and rank them.) 1 = as a main source of food for household 2 = as a main source of income/living 3 = as an extra source of income for the household 4 = As an extra source of food for the household 5 = As a leisure activity or hobby e.g. gardening.

Findings related to Q C.1. were presented in an earlier chapter (Chapter 2) and the conclusions drawn were that across the three provinces 33% of respondent households did not currently engage in agriculture and in terms of provincial distribution most (57%) of those respondent households not currently involved in agriculture can be found in the Western Cape. Involvement in agricultural production was high in both North West (97%) and in KwaZulu-Natal (80%). In terms of agricultural production based on access to agricultural development support the study found that beneficiaries with programmed agricultural development support were more likely to actively engage in agriculture.

The study was unable to generate reliable findings in respect of the nature and scale of crop and livestock production due to large amount of missing data as well as lack of standardization of the data on how volume units were captured. In Table 4.10 below we see that crop sales values were higher for beneficiaries with agricultural development support at an average of R 6362.57 compared with an average of R 615.00 for farmers not receiving agricultural support. This result is to be expected as one of the objectives of agrarian development support would have been to increase yield and sale of production. Surprisingly the results in respect of livestock sale values reflects a picture to the contrary in that livestock sale values were significantly higher for those farmers not receiving agricultural development support at R 12 013.00 compared with an average of R 7230.00 for those who received agricultural development support. It is not unclear what may have impacted on this.

At this point it would be important to caution the reader to difficulties in making an assessment of this data in view of the fact that this information was self-reported and hence subjective and for which no verification process was undertaken. There is a large amount of literature available on the issue of recall – the ability of the respondent to provide an accurate answer as well as on the high non response problem. As can be seen in Table 4.10 the no of valid cases for both crop and livestock sales values is small.

**Table 4.10: Mean comparisons for crop and livestock sale values between farmers with and without ADS**

<b>Crops/Livestock Output</b>	<b>Without ADS (ZAR)</b>	<b>With ADS (ZAR)</b>	<b>Average Value All Valid Observations (ZAR)</b>
Crop sales values Mean	615.00	6362.57	4272.55
Std Dev	939.67	14420.55	11551.84
N	4	7	11
Livestock sale values Mean	12013.50	7230.00	10909.62
Std Dev	28755.84	9890.06	25538.79
N	20	6	26

The low rand values from sales of crop and livestock reflected in the table above may importantly reflect that a large portion of agricultural produce is consumed by the household and that where

there is surplus this is sold. Increased subsistence production can contribute to enhancing household food security by increasing available food supply to the household and also by freeing up scarce income for purchasing food products. Statistics South Africa (1999) found that 93% of households engaged in agricultural production did so for the primary reason to produce food for own consumption (Statistics SA, 1999). However evidence suggests that households engaging in subsistence agriculture as a main source of food and income is declining while the number of households engaging in production of food as an extra source of food and income is on the increase (Baipethi and Jacobs 2010).

## **Farming Asset Accumulation – Equipment and Infrastructure**

Experience in Africa and elsewhere suggests that investments in support and infrastructure have demonstrated the potential to increase agricultural productivity (Shakelton et al, 2010). Small holder and subsistence agricultural productivity is known to be low mainly as result of inadequate access to production infrastructure and agricultural inputs. Table 4.11 below reflects the rand value of investments in irrigation, heavy and light farm machinery and infrastructure costs.

**Table 4.11: Mean comparisons of equipment and farm infrastructure after settlement between farmers with and without ADS**

Equipment & Farm Infrastructure Category	Average Costs	
	Without ADS (ZAR)	With ADS (ZAR)
Irrigation equipment cost Mean	861550.70	71500.00
<i>Std Dev</i>	2061937	67589.45
<i>N</i>	6	4
Heavy farm machinery costs Mean	134683.40	132832.6
<i>Std Dev</i>	97187.14	111096.3
<i>N</i>	29	21
Light farm machinery cost Mean	1887.36	328.67
<i>Std Dev</i>	1770.42	237.23
<i>N</i>	14	6
Farm infrastructure costs Mean	150811.50	102364.50
<i>Std Dev</i>	329715.60	214428.40
<i>N</i>	34	27

The results show that farmers without agricultural development support appeared to have accumulated higher values of infrastructure support compared with farmers who had access to agricultural development support. It is not clear why the results are contrary to the expectation that beneficiaries accessing ADS would have accumulated higher value of infrastructure. This finding may be explained by delays in procurement of infrastructure for those who are accessing agricultural development support or also by the fact that farmers without agricultural development support tended to get more support from former commercial farm owners as is elaborated on in the next chapter relating to institutional arrangements.

## **Employment Creation**

Both the livelihoods framework elaborated on earlier in this chapter and the indicators identified by stakeholders for measuring reduction in poverty and inequality reflected employment creation as a potential outcome of land and agrarian reform interventions. We found a major gap in the design of the survey instrument in interrogating the impact on employment for land reform beneficiary households without and with agricultural development support.

In the survey instrument a question was asked about primary work or income source of each member of the household and the findings in terms of farming as a primary work activity was negligible and therefore not considered. Questions which could have been explored included -:

What kinds of jobs do these farms create?

- Who gets employed and for how long?
- How many jobs were created both on farm and off farm as a result of agricultural activity?
- Can we estimate on-farm employment prior to the land transfer?

While the beneficiary household survey instrument was not able to provide such data, the Feedback from the focus group discussions held with beneficiaries revealed a mixed picture. In The KwaZulu-Natal focus groups the picture was bleak with few reports of jobs having been created. The reason provided in one KZN farm was that the beneficiaries lacked farming implements and equipment to undertake agricultural activities. Beneficiaries of a poultry cooperative reported as follows *“so far there is a steady improvement in local people’s lives.*

*...We are happy to have a farm of our own. We are not lazy people. We are working very hard to make things better”.*

In the Western Cape several of the focus group reports indicated that jobs had been created initially but that with failures on the farms many of these jobs had been lost. It was reported that one of the farms indicated having 37 permanent workers and an unknown number of casual staff. Western Cape beneficiaries on one farm indicated that Equity Share Schemes, where an arrangement is made between land reform beneficiaries and private sector stakeholders buy equity in the form of shares in some agricultural enterprise, was likely to create jobs but that the benefit was mainly enjoyed by the private sector partners. On that same farm it was reported that the private sector equity partner was the previous owner and that none of the beneficiary shareholders were employed on that farm, although several of them were employed on another farm owned by family members of the previous owner. On another Western Cape farm respondents indicated that the employment situation had worsened in that prior to transfer there had been 70 people employed on the farm and after transfer only 8 were permanently employed. However even this farm experienced problems and presently no one was employed. In another Western Cape farm beneficiaries indicated that there had been a reduction in permanent employment and a related increase in casual work.

Also reported in one Western Cape was the expectation that employment opportunities would be created when on farm infrastructure improvements were being undertaken. The beneficiaries had

tendered for and expected to provide labour for the laying of pipes. However the contractor who won the tender brought his own employees to undertake the work. Similarly when the farm was leased to another farmer, the beneficiaries had expected to be offered employment and instead found that the new farmers brought their own labour to work on the farm.

The negligible impact of land and agrarian reform on employment specifically in share equity schemes is corroborated by a research study by Kleinbooi et al (2006) on land reform in the Theewaterkloof Local Municipality.

Our stakeholder interviews suggest that this is an area of research which has been neglected despite the fact that it remains one of the key indicators for measuring progress for government officials. It is strongly proposed that a longer term study specifically exploring the employment potential of agrarian reform programmes be conducted.

## **Household and Food Expenditure Patterns**

In analysing data on household expenditure it is unlikely that a once off survey asking interviewees about their expenditure over the preceding month will generate an exhaustive account of household expenditure. However it does provide a reasonable indication of the resources at the disposal of the household and is a more reliable proxy for household income. It is widely accepted that reporting on expenditure in this manner is commonly associated with under reporting. No adjustments have been made for this.

The survey instrument asked for information about household expenditure against a list of “regular” household goods (food, clothing, energy etc.) and services (health care, transport etc) as well as non-durable household goods such as furniture and construction or equipment.

The LCS 2008/09 (Statistics SA, 2010) data showed that the total average annual household consumption expenditure was R 71 910 and that the annual household consumption expenditure on food (unadjusted) was found to be R 9 939. This represents 14.6% as food expenditure to household consumption expenditure annually.

The expenditure patterns emerging reflect a well-known phenomenon of poor households spending more of their income on food than richer households. Looking at the poorest quintile we see that average spending on food per month across all three provinces was very similar at R 935,91 in the Western Cape households, R 988, 18 in the KwaZulu-Natal households and R 897, 54 in the North West households. In terms of the share of food spending against overall household spending the average food spend was 56.86% for WC, 55.61% for KwaZulu-Natal and 62,45% for North West. We know from Aliber’s work (2009) that poor rural households spend a larger share of their household expenditure on food than urban households although they spend less per person. We draw attention to an earlier section in this chapter wherein it was noted that household sizes in KwaZulu-Natal (7.54) and North West (6.81) were much higher than the national average and that of the

Western Cape (4.19). Extrapolating from the above we can see that beneficiary households in KZN and NW spent approximately R 130 per person per month on food while beneficiary households in WC spent almost double at R 223 per person monthly. In contrast the table reveals that the richest 20% of beneficiary households share of spending on food against the household budget was between 30- 33% in the three provinces. There was not a huge different between the three provinces.

**Table 4.12: Household Food Expenditure per month by Type and Province**

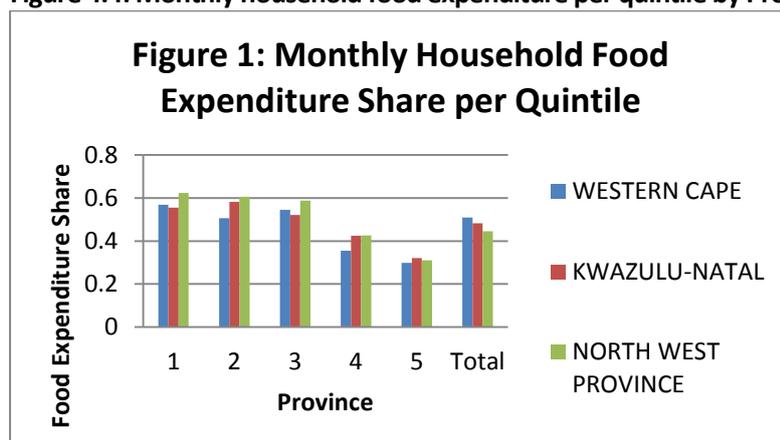
Monthly Household Food expenditure in Rands	Western Cape	Kwazulu-Natal	North West	Total
Groceries	1310.3	1506	1544.4	1475.9
cereals	241.1	252.96	279.87	255.76
meat	369.64	311.7	731.36	429.87
Fruit and vegetables	129.1	131.74	288.71	169.58
beverages	130.85	93.12	300.04	158.35
Food consumed away from home	55.96	69.38	414.88	171.35
Total food expenditure	1481.2	2282	3490.2	2288.9

Figure 4.4 below provides estimates for the following -:

- Average monthly household expenditure per quintile
- Average monthly food expenditure per quintile
- Average share of food spending in overall household spending

The data is provided with disaggregation for provinces and for beneficiaries without and with ADS.

**Figure 4.4: Monthly household food expenditure per quintile by Province**

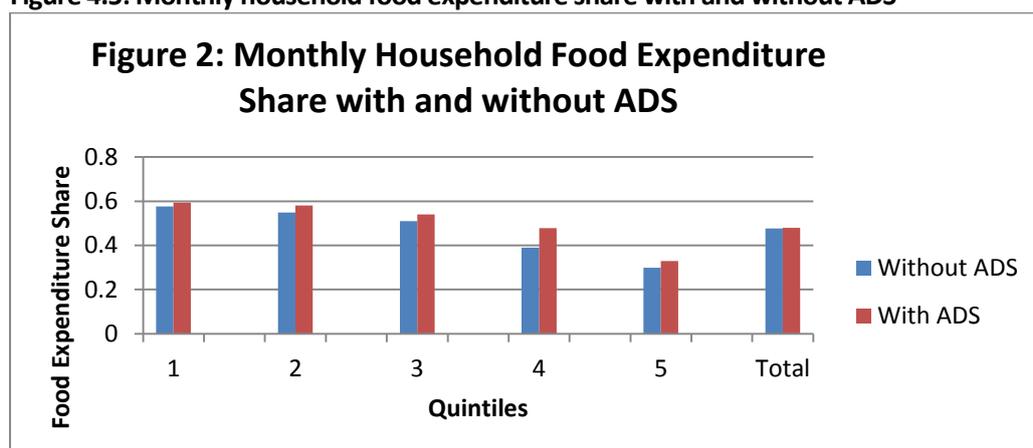


In Table 4.12 above meat consumption by beneficiary households in the North West is almost double and that of households in KZN is more than double that of Western Cape beneficiary households. Similarly across many of the food types it can be seen that expenditure levels in the North West are double those of the other two provinces. One difference is the data on food away from home which shows that households in the NW spent more than 6 times that of KZN households and seven times more than WC households.

A review of other household expenditure patterns also throws up some anomalies. It would appear that households in KZN and NW do not have to pay rent. The transport costs reflected for North West are more than three times the average spending in Western Cape and five times the average spending in KwaZulu-Natal. It's unclear why this would be the situation. Finally non-durable expenditure, which would include spending on furniture, construction, equipment etc. is almost three times higher in the North West in comparison with Western Cape and more than 5 times higher than KwaZulu-Natal. Clearly this suggests that beneficiaries in the North West have larger share of income compared with beneficiaries in the other two provinces.

When reviewing the beneficiary households without and without agricultural development services in Figure 4.5 below we see little difference in the average share of food expenditure between those who did not access ADS (47.63 %) and those who did access ADS (48%) even though the total spend of the households accessing ADS was almost double that of the households not accessing ADS. This is consistent across all the quintile levels. A reason for this as mentioned earlier is that they may be consuming the food produced and hence do not have to spend as much of their cash income on food purchases.

**Figure 4.5: Monthly household food expenditure share with and without ADS**



### **Perceptions of impact of land and agrarian reform,**

The study probed perceptions of beneficiaries and stakeholders on the impact of participation in land and agrarian reform programmes.

In the beneficiary household questionnaire the question asked was:

C.20 What is your perception of your participation in the land and agricultural reform program?

- 1=The program has helped improve farm income
- 2=The program has helped reduce poverty for beneficiaries
- 3=Our situation has not changed
- 4=Our situation has deteriorated as a result of the program
- 5=Other (specify)

In the focus group session conducted with Beneficiaries a similar question was probed

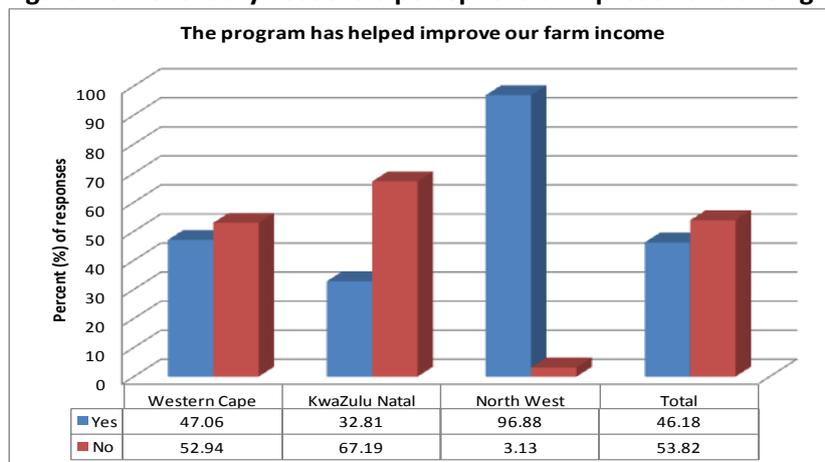
*“General assessment of the impact on the beneficiaries and their surrounding communities. (Explore why land reform is seen as a good or bad thing as experienced by this particular Focus Group)”*

Finally for stakeholders the question asked was *“What have been the general impact(s) of land reform and agrarian development in North West, Western Cape and KwaZulu-Natal? Who are the main beneficiaries? Provide examples?”*

The responses were analysed and are reported on below.

## Improved Farm Incomes

**Figure 4.6: Beneficiary household perceptions of impact of land and agrarian reform on farm incomes**



*NB: Number of valid observations: Western Cape - 102; KwaZulu Natal - 128; North West –32; Total – 262*

The results display clearly the overwhelming majority of the beneficiaries in the NW province perceive an improvement in income as a result of the land and agrarian reform program. This is confirmed from the household expenditure data for the NW which showed substantially higher levels of expenditure on durable goods and on meat. Levels of satisfaction are much lower in the other two provinces with just under half of the beneficiaries in Western Cape indicating that incomes have improved compared to nearly a third of beneficiaries in KwaZulu-Natal.

An analysis of the feedback from the focus group sessions were mixed and are reported on below. In a Southern Cape community the overall feeling was that the main change was that of ownership of land and that it was “better to not be told what to do by an owner or boss”. They indicated that they enjoyed owning and farming their own land, regardless of the outcome.

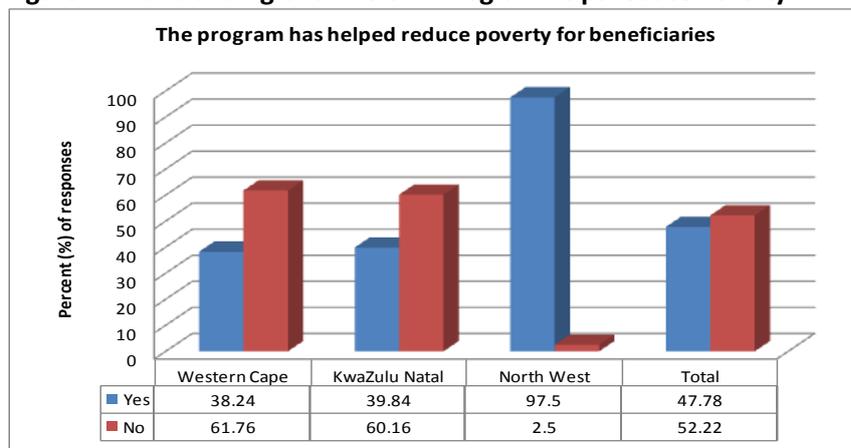
Beneficiaries on a share equity farm in the Western Cape noted that they received dividends of R1000 every 5 years and that they were unaware of how dividends were calculated. While the participants expressed the view that the farm had improved substantially over the last ten years. They did raise a concern about the high debt incurred in the purchasing of tractors and other tools/machinery. In addition they believed they were enriching their equity partner, who was also the former owner, as they have to hire everything from him.

One another farm the beneficiaries reported *“We are spending most of our wages on electricity and food, approximately 80% of wages. Food prices considerably more in rural areas. Wages have increased but so have increased in food prices.”*

Only one focus group in KwaZulu-Natal expressed a view on the impact. They indicated *“So far there’s a steady improvement in our lives. We are happy to have a farm of our own. We are not lazy people. We are working very hard to make things better.”*

## Reduction in poverty for Beneficiaries

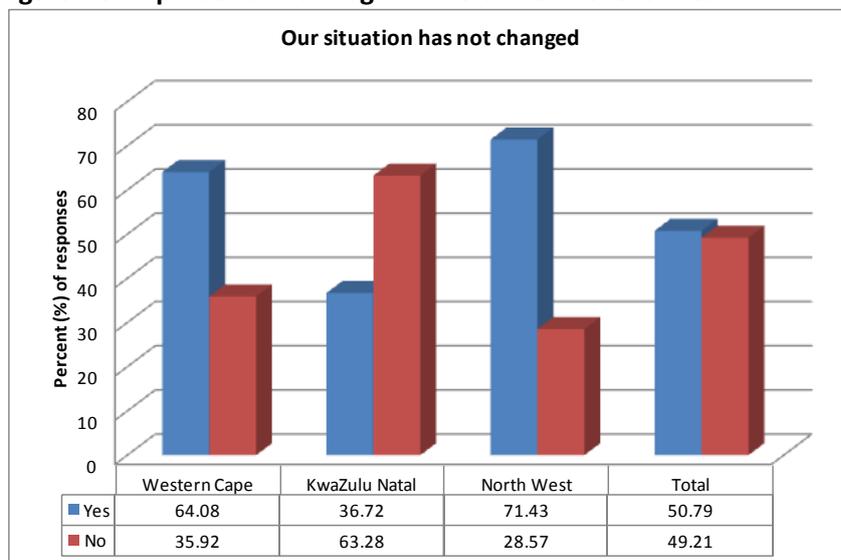
**Figure 4.7: Land and Agrarian Reform Program helps reduce Poverty**



*NB: Number of valid observations: Western Cape - 102; KwaZulu Natal - 128; North West –32; Total – 262*

The response to this question by beneficiaries shows an increase in the positive response from both Western Cape and KwaZulu-Natal beneficiaries.

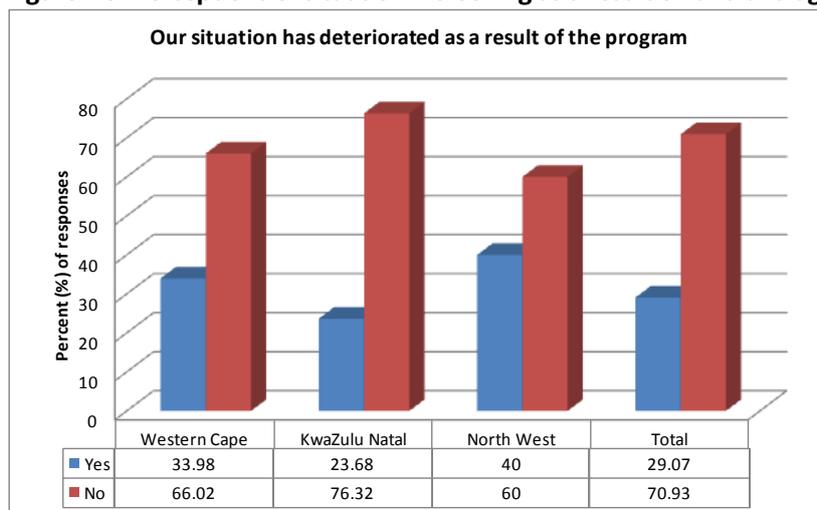
**Figure 4.8: Impact of land and agrarian reform on beneficiaries**



*NB: Number of valid observations: Western Cape - 103; KwaZulu Natal - 128; North West –21; Total – 252*

The findings in respect of figures 4.7 and 4.8 are consistent for KwaZulu-Natal and Western Cape in relation to the responses to other related questions. However the North West responses are not in keeping with the earlier responses. It is suggested that this maybe perhaps a result of different interpretations that respondents place on the question and hence the response.

**Figure 4.9: Perceptions of situation worsening as a result of land and agrarian reform**



NB: Number of valid observations: Western Cape - 103; KwaZulu Natal - 114; North West - 10; Total - 227

**Table 4.13: Perceptions about the Impact of land reform programme between farmers with and without ADS**

Variable	Unit	Without ADS	With ADS	Total	$\chi^2$ statistic
<b>The program has helped improve our farm incomes</b>					
Yes	% Group	41.71	57.33	46.18	5.26**
No	% Group	58.29	42.67	53.82	
N		187	75	262	
<b>The program has helped reduce poverty for beneficiaries</b>					
Yes	% Group	42.63	60.00	47.78	6.81***
No	% Group	57.37	40.00	52.22	
N		190	80	270	
<b>Our situation has not changed</b>					
Yes	% Group	50.00	53.13	50.79	0.19
No	% Group	50.00	46.88	49.21	
N		188	64	252	
<b>Our situation has deteriorated as a result of the program</b>					
Yes	% Group	29.24	28.57	29.07	0.01
No	% Group	70.76	71.43	70.93	
N		171	56	227	

From Table 4.13 it can be deduced that on average those beneficiaries with agricultural development support have expressed positive perceptions of the impact of the programme on their income and on reducing poverty. Just over a quarter of the beneficiaries indicated their perception that the situation had worsened arising from participation in the program.

## **Stakeholder perceptions of impact of land and agrarian reform**

Civil society responses generally reflected a negative perception of the impact. Reflections included concern that no discernible impact could be measured and that much more had to be done to get farmers to be productive. One positive issue mentioned was the introduction of mentorships for emerging farmers was noted as a good initiative. A civil society organisation indicated that it was too soon to measure the impact of the new measures adopted e.g. RECAP and CRDP.

Government stakeholder responses were in contrast much more positive in their assessment of the impact although little evidence was provided in support of these responses. Responses included -:

- Land rights have been realised: Land had been transferred to those previously dispossessed; vulnerable rural people's rights (farm dwellers and labour tenants) were protected. African farmers had ownership or access to land for farming. Security of tenure.
- Livelihoods are enhanced - right to earn a living from land, farm incomes improved
- Improvements in food security – established food gardens and subsistence farming have been encouraged.
- Spatial focus on targeting poor areas for development
- Meeting of basic needs
- Development of skills of beneficiaries
- Agricultural production enhanced - some farmers productivity has increased
- Job creation – targeted to youth. Recognition that this was not at scale
- Intervention had enhanced access to government services and benefits including improved exposure to health services and increased access to social grants through the CRDP.

A KwaZulu-Natal government official reported that in one ward the programme had built a crèche catering for 200 farm dweller children, undertaken renovations in 2 schools and built classrooms and food gardens and landscaping in schools was undertaken. Assistance was provided with sub division of land for farm dwellers, facilitated Eskom to install power lines on the farm, built toilets and purchased a mine dump for residents.

In the Western Cape, the official acknowledged failure of the programme and laid the blame on beneficiaries. *“Beneficiaries are often not working on the farms. Many of them had thought that farms will reproduce themselves. We found that out of 30 beneficiaries, only 2 will be interested in farming whereas the rest would wait on income. This has not reduced poverty and inequality.”*

In the North West a government official acknowledged that they lacked measures to assess impact but that in general his perception was that poverty remained a major challenge, although living conditions have improved somewhat.

In KwaZulu-Natal a government official indicated that the situation had regressed in that production on farms had decreased post settlement. While another official believed that the provinces response in launching the Sukumasake program was precisely to address poverty and food insecurity.

Finally a national expert was scathing in his criticism of the program.

He stated *“there is no coherent plan to reduce rural poverty or inequality beyond distributing land to those who were effectively denied it in the past. There is just no way that the current policy of land reform and agricultural support has any potential impact on poverty – outside its ambit. The statistics often cited are beguiling. Impossible for the NGP to propose 300 000 smallholders by 2020 (this is a political rather than practical target.”*

## **Gender Mainstreaming in the Land and Agrarian Reform Programme**

An issue explored with stakeholders was how gender considerations were addressed in the design and implementation of the land and agrarian reform programme. The specific question asked was *“In what way has the land reform and agricultural development programme specifically addressed needs of poor and vulnerable women?”*

Below is a summary of the responses this question solicited.

An NGO respondent said *“gender not mainstreamed in land reform and agrarian reform. In fact in many ways the land reform programme undermined gender rights for example in promoting communal tenure.”* Another NGO representative noted that patriarchy in Africa was deeply institutionalised and thus required strong legal measures to redress.

Several government officials made reference to the dedicated unit established in government departments to mainstream gender into programming. It was suggested that focussing on gender was that specific unit’s responsibility. Others made reference to the quota systems which required women to be active participants in structures as evidence of gender responsiveness. One example quoted was from the WC where the quota for land reform required that 30% of the beneficiaries under LRAD should be women. Women, people living with disabilities and youth were repeatedly mentioned as priority target groups for interventions. The very fact that women were beneficiaries of land reform programmes was submitted as evidence of the gendered impact of the programme.

A national expert summed up his understanding of how government was addressing gender needs in the programme. *“Nothing in the policies or various programmes encourages women but nothing deters women’s involvement in Land Reform”.*

We found very little evidence of a nuanced gendered response to land and agrarian reform.

## **Conclusions and recommendations**

This chapter discussed the livelihoods issues in respect of the South Africa’s land and agrarian reform programme. The chapter provided a conceptual framework for thinking about livelihoods drawing on available literature on livelihoods as well as drawing from analysis of data collected during this study in three provinces.

The findings reveal that land and agrarian reform interventions have not been largely redistributive or contributed significantly to reducing poverty and inequality and to transforming the livelihoods of land reform beneficiaries, particularly those in the Western Cape and KwaZulu-Natal.

New ways of thinking about (and planning for) livelihoods are now needed: Key to these is the need to find 'fit' between project design and the profiles of participants.

Planning must consider not only the agricultural potential but also the production environment:

- Profile participants' socio-economic status and resource base
- Gender needs to be more strongly foregrounded in as a feature of the policy framework with greater targeting of female headed households and female land users and owners – to strengthen small farming and own production.

## **CHAPTER 5: AGRICULTURE DEVELOPMENT SUPPORT/SERVICES**

### **Introduction**

South Africa currently has two overarching state-funded packages to assist land reform farmers: the Comprehensive Agricultural Support Programme (CASP) and the Land Reform Recapitalisation and Development Programme (RECAP). CASP, officially launched in 2004, falls under the DAFF, whereas the Department of Rural Development and Land Reform introduced RECAP in 2010. The main purpose behind state-investment in agricultural activities on redistributed farmland is self-evident and well-intentioned: it is a catalyst towards the optimal use of the transferred farm by the newly settled farmers. However, whether the intended and planned land uses actually take place depends on a host of factors. For example, what is an optimal level of farming and did the previous farmer optimally and sustainably use the redistributed farmland? A sound comparison between present and past farming practices on land is rendered almost impossible as a result of the lack of detailed historical data on every land reform farm. The human capabilities and investment resources of the new farmers also play a role. Furthermore, institutional factors and macro-level socio-economic conditions that are external to a specific farm property but with potential threats or opportunities to agricultural activities also deserve attention. How and why the nature and extent of farming differs between land reform farms with state-funded agricultural assistance versus those without such investments is central to the agrarian reform- poverty reduction policy debate.

In a nutshell, CASP was designed to overcome the lack of enough and appropriate agricultural development assistance after land transfer (often called post-settlement support) and sustain land-use practices of the previous farmer. The main rationale behind RECAP was to reduce failure rates of land reform farming projects. Periodic reviews of the respective interventions are limited to profiling the numbers of beneficiary farmers but ignore other spill-over effects, such as options to draw-in complementary private investment in smallholder farming and participation in post-harvest value chains. Such assessments are further impeded by the absence of a dedicated, nationally representative and frequently administered small farmer survey. In this paper we report and discuss the findings from a 2012 purpose-build survey of 300 land reform farm households. In addition to profiling the land reform beneficiaries, the survey instrument distinguished between recipients and non-recipients of state-funded agricultural development support. The findings provide insights into the impacts of CASP and RECAP on the livelihoods of small farmer households.

In South Africa's land and agrarian reform conversations, post-settlement support is generally meant to include multiple forms of assistance provided to beneficiaries after they have taken ownership of the land. 'Post-settlement support' might be 'housing development' after land transfer or even support for institutional arrangements to govern the transfer of reclaimed land used for tourism or nature conservation. How this all-encompassing and vague concept gained traction and influence within the agrarian debates, particularly with regard to appropriate agricultural support for resource-poor small farmers, is unclear. This chapter covers state-funded assistance to newly settled farmers aimed at developing their agricultural activities over the long-haul. Although agricultural

development support narrows the scope of 'post-settlement support', it brings to bear a much sharper focus on the workings of the entire agricultural system which agrarian policies set out to transform.

Assessing the status of support for agricultural development in 2003, Jacobs (2003) made the case for farming assistance to be an integral element of the land transfer process rather than 'post-settlement support'. This shift in thinking further required a total realignment of institutional coordination between the departments of land reform and agriculture during the farmland allocation process. Without 'upfront farmer assistance' almost all newly settled farmers will not only battle to gain a foothold in a highly concentrated agricultural regime let alone lead the agrarian transformation process. More recent reviews of conditions on land reform farms suggest little progress on this front. The Center for Development and Enterprise (CDE) published a status report on land reform in 2008, citing a remark by the Minister of Agriculture and Land Affairs at the time that 50% of land reform projects were failing (CDE 2008). Following the establishment of the new ministry for Rural Development and Land Reform in 2009, the newly appointed minister suggested that 90% of the land reform projects might be dysfunctional (Umhlaba Wethu 2010).

This chapter looks at access to and the impacts of state-funded agricultural support for South African land reform farmers through the lens of "value chain analysis". This analytical lens allows for a systematic probing of assistance across on-farm and post-farm gate segments of agricultural activities. More specifically, this chapter answers the following broad questions: What is the nature of state-funded support for on-farm production and post-harvest activities of land reform farmers? Who are the recipients of the suite of agricultural development packages? How does the farming assistance impact on livelihoods of beneficiaries if these (second-round) spill-over effects are discernible in any way? This dataset allows us to compare farming activities of recipients and non-recipients of state-funded agricultural development support. To structure this discussion, the presentation first looks at on-farm production and then turns to agricultural activities post-farm gate- preceded by an overview of policy.

## **Post-2004 Agricultural Development Support Policy context**

Throughout the post-apartheid period, the total share of South Africa's yearly public budget allocated to land reform and agricultural development support has been less than 3% per year. Compared to other African countries and the 2003 Maputo declaration, which pegs this share at 10% for each SADC member state, South Africa therefore spends a relatively small share of its budget on direct smallholder farmer assistance. This is in sharp contrast to Malawi and Tanzania, for instance, where fiscal spending on agriculture regularly exceeds 10% of the public budget per year on the seed and fertiliser investment programmes in these countries (Ngayah et al 2011). Overall, however, spending on smallholder agricultural development is unevenly spread across countries in southern Africa. In Zambia, where the government launched an input support package in 2002, this share of the national budget that agriculture receives has been in the order of 35%-40% (Xu et al 2009).

In 2004, government introduced CASP (Comprehensive Agricultural Support Programme) to provide agricultural development assistance to smallholder and resource-poor farmers. The introduction of CASP responded to the need to bridge the gap between land delivery and the lack of 'post-transfer support' identified in reviews of South Africa's land reform programme since the early years. CASP sets out to deliver a wide range of economic, social and environmental benefits. On the economic front it is expected to produce what may be called immediate benefits such as higher levels of productive efficiency, create on-farm and off-farm jobs, all ideally increasing income and wealth in the rural economy and beyond. It is further envisaged that over time, as the positive impacts of CASP on the agricultural sector gain momentum, significant amounts of domestic and foreign investment will be attracted to complement the initial capital injections through CASP.

Related to the above, but with a sharper social edge, a stated intention of this support package is to reverse the inequities in farmland access and use rights inherited from the apartheid era. Furthermore, through its contributions to household and national food security, it should significantly add to poverty reduction and improve rural living standards. Another social benefit to be derived from CASP is to reduce crime, violence and socio-political instability flowing from strife and conflict over limited agricultural resources. From the viewpoint of long-run environment security, CASP supposedly promotes ecologically sustainable farming activities. How does CASP set out to achieve these outcomes? To achieve the outcomes explained above, the grant is distributed through six niche areas or CASP pillars: information and technology management; technical and advisory assistance, and regulatory services; marketing and business development; training and capacity building; on/off-farm infrastructure and production inputs; financial support.

The Department of Agriculture had commissioned a comprehensive review of CASP in the 2006/2007 fiscal period and the results of this report became available around mid-2007. Through the 2007 Review, as well as previous evaluations of agricultural development support, we have gained better insights into the institutional aspects of the CASP- its design, intended outcomes, institutional constraints, and so forth. There is a huge gap between CASP goals and its achievements in practice: (a) limited budgets for the programme (b) at provincial and district level, priority given to CASP is varied (c) skewed emphasis on elements of support, with most support programmes placing an emphasis on on-farm infrastructure.

The adoption of CASP in 2004 resulted in higher spending on farmer support and development-reaching more than 70% of total agricultural allocation in 2008. CASP remains the primary farmer support package to achieve government's target to transition 250000-300000 smallholder farmers to produce a marketable surplus and absorb more unemployed rural workers in agriculture. However, the dramatic expansion in CASP funding is happening alongside a declining number of farmer beneficiaries. Average spending per farmer beneficiary has increased from R2,800 in 2004 to roughly R27,000 in 2010 which suggests that a smaller number of farmers (better endowed who can afford matching own contribution?) appear to be benefiting from a larger CASP grant. Nationwide farmer assistance through RECAP had reached 411 farmers in the 2010/11 fiscal period but then declined to 387 farmers in 2011/12. Over the period 2012 to 2015, the Department of Rural

Development and Land Reform seeks to expand the number of RECAP beneficiary farmers from 416 to 525.

Agricultural extension and training services concentrate on the farming (primary agricultural) dimension of the agricultural value chain but it has tremendous potential to exert positive spill-overs further along the value chain. At the farm level it could enable smallholder farmers to achieve economies of scale, ensure consistent input supplies for agro-processing and build collaborative interventions with rural tertiary education institutions (including AgriSETA).

The Ministry of Agriculture and Land Affairs, forerunner to the Department of Agriculture Forestry and Fisheries (DAFF), launched an Extension Recovery Plan (ERP) in 2008 as part of its efforts to boost agricultural productivity. Financial support to implement the first phase of the ERP amounted to R500 million over the MTEF period 2008/09 to 2010/11. For the 2011/12 fiscal year alone, ERP could be financed to the tune of R300 million. This expanded resource commitment might be indicative of the successful implementation of the first phase of the ERP. It could also reflect the farmers' needs for better qualified agricultural extension professionals to deliver more appropriate advice and technical support.

The 2009-2014 administration is committed to agricultural development support for smallholder farmers as articulated in "Outcome 7" of government's strategic priorities and the New Growth Path. Outcome 7 refers to "vibrant, equitable and sustainable rural communities and food security for all". It is worth highlighting that at least two of the five outputs listed under this outcome, both the "sustainable agrarian reform" (output 1) and "improvement employment opportunities and promotion of economic livelihoods" (output 4), relate to the delivery and quality of agricultural extension and advisory services. Although the New Growth Path spells out targets across the entire agricultural value chain, agricultural extension and advice has direct relevance for its target to set up 300 000 households in agricultural smallholder schemes. In her 2011/12 budget vote speech, Minister Joemat-Pettersson stressed that DAFF intends to support smallholders in the former homelands and land reform beneficiaries aspiring to farm. In the 2011/12 financial period, R4.7 billion has been allocated to the DAFF. Of this figure, R1 bn has been ring-fenced for the Comprehensive Agricultural Support Program (CASP) and about one-third of this amount (R300 million) will be used to implement the agricultural Extension Recovery Plan.

It is well-known that South Africa has a heterogeneous and complex agricultural extension system. The in-depth "Profile of South Africa's Agricultural Extension System", commissioned by the Ministry of Agriculture and Land Affairs in 2007, placed the national total of agricultural extension personnel at 2,210 persons at that time (DAFF 2009). The majority of these extension officers were concentrated in Limpopo (666), Eastern Cape (623) and Kwazulu-Natal (360) whereas the smallest numbers worked in Northern Cape (29) and Gauteng (23). Although the norms and standards required that every extension officer ought to have, as a minimum, an appropriate degree or higher, it found that only 19.8% had this qualification - meaning that 4 out of every 5 extension officers had qualifications lower than the prescribed norms and standards. The race and gender profile suggests that publicly employed agricultural extension officers are predominantly African males. However,

focusing on educational qualifications, the average female extension officer was better qualified than her male counterparts - except for Gauteng and the Free State.

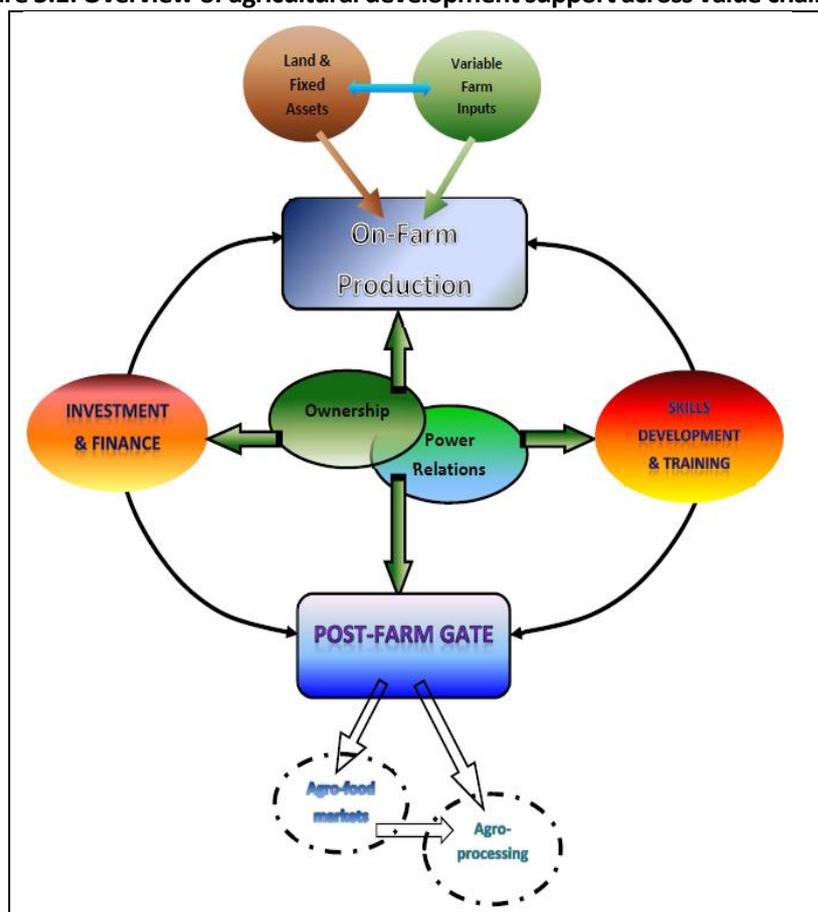
It was anticipated that DAFF would fast-track the roll-out of ERP in the 2009/10 fiscal period. A *Farmers Green Book* and the *Extension Management Diary* have been designed to monitor the scale and quality of services delivered. Up to the 4<sup>th</sup> quarter in 2009, the majority of provinces had piloted these extension management tools and KZN was exploring ways to convert the Green Book into a Management Diary. However, it has been reported that that implementation of these tools started late due to delays in the procurement processes. In this context, the need exists to explore ways to fast-track implementation. By the second quarter of the 2009/10 financial year, provinces reportedly had updated their ERP business plans. During the first quarter of the 2009/10 fiscal year, the intake for the Professional Development Programme was 36, but it was not possible to identify the number of extension officers evidently included in this figure. In the fourth quarter, 809 extension personnel had completed short-term training in technical skills, generic soft skills and ICT skills. One of its key measurable objectives in this regard was to enrol 150 extension officers in skills upgrading programmes each year over the MTEF. However, only a few deserving applicants were awarded bursaries for the 2010 academic year because of budgetary constraints.

### **State-funded Farmer Support Viewed through Value Chain Analysis**

A value chain for agricultural products usually shows the sequence of value-adding activities that range from on-farm production of specific agricultural commodities through its distribution and processing channels until it gets to the final consumer. And the linkages that flow from the production through to the consumption stages of agricultural produce, whether unprocessed or processed, are now more complex as fewer people farm in order to supply their own needs. Rural areas were once associated with subsistence farm production but this is changing as the numbers of net food buyers also rise in these localities as developing countries undergo deep structural and demographic changes. Furthermore, there is great variation in the production, distribution and marketing of different types of crops and livestock and value chain analysis helps to reveal how these nuanced processes are systematically connected or linked. However, an exhaustive mapping of all agricultural value chains goes beyond the scope of the present discussion. Instead, here the main interest is to use value chain analysis as a tool to present a step-by-step overview of how the state supports different segments along the chain farming activities land reform farmers.

Officially, two government departments, one concerned rural development and land reform and the other with agriculture, bear primary responsibility for assisting land reform farmers and this support is often given in partnership with the private sector or non-governmental organisations. In practice, however, multiple institutions are involved in delivering support to farmers and mapping this complex mix of institutional arrangements falls outside the scope of this chapter. The figure below merely outlines the generic core of an agricultural value chain to distinguish on-farm and post-farm gate types of publicly-funded assistance to land reform farmers.

**Figure 5.1: Overview of agricultural development support across value chain segments**



### **Production & farm-input support**

As explained in the methodology section, 119 sampled households indicated that they have benefited from some form of programmed agricultural support. This amounts to roughly 41.6% of all sampled households. The numbers and proportions of households who have benefited from different types of state-sponsored agricultural interventions are unevenly distributed across different types of programmed support per province as detailed in the following table.

The Comprehensive Agricultural Support Programme (CASP) is clearly the main channel through which state-funded support is distributed to farm households who have obtained farmland through land reform. Overall, 85% of agricultural development support recipients reportedly received support through CASP compared to 10% who have benefited from the recently launched Land Reform Recapitalisation and Development [RECAP] Programme. The MAFISA loan scheme, initially launched as one of the six CASP-pillars, ranks among the least widely accessed form of state-driven support to land reform farmers, with even fewer participants in the scheme (less than 1% of respondents) than those who have benefitted from the mix of non-programmed agricultural support (slightly more than 3% of respondents).

A closer view of well-defined types of support reveals that the highest share of beneficiary households evidently receive training support through the Comprehensive Agricultural Support Programme- roughly 32% on average. Farm households who have accessed CASP-training support are very unevenly spread if we compare the shares of beneficiaries by province: about 54% for Western Cape, 37% for KwaZulu-Natal and less than 7% in North West. On-farm infrastructural support, ranked as the second highest type of agricultural assistance with an average share of 28% beneficiary farmers, is also very unevenly distributed. Almost 40% of sampled farmers in North West self-reported that they benefited from this type of support, followed by 30% in Western Cape and 7% in KwaZulu-Natal.

**Table 5.1: Share (%) of households receiving types of agricultural support by province (Valid N=119)**

	Western Cape N=46	KwaZulu-Natal N=27	North West N=46	Total N=119
On-farm Infrastructure (CASP)	30.43	7.41	39.13	28.57
Production inputs (CASP)	4.35	48.15	32.61	25.21
Training support (CASP)	54.35	37.04	6.52	31.93
Land Reform Recapitalisation	8.7	3.7	15.22	10.08
MAFISA Loans	0	0	2.17	0.84
Other Agricultural Support	2.17	3.7	4.35	3.36

Note: 'N' includes all valid observations.

As displayed in the next table, at least 50% of SLAG beneficiaries have benefited from training support, compared the; Within each group of land reform beneficiaries, it is possible to the support in terms of the share of household beneficiaries. Under SLAG, 50% of households reportedly received training funded with the aid of CASP, compared to 30% who have received CASP-funded production inputs and 13% who have received infrastructural support. At least under SLAG beneficiaries have benefitted from training support but it was not clear to understand the nature of the training support. Among the SLAG beneficiaries in this study did not report any benefits from the RECAP programme.

LRAD households were mainly allocated on-farm infrastructure (38.6%) and production inputs (28.6%). Training support ranks lower for LRAD beneficiaries whereas less than 5% of these farmers have benefited from RECAP assistance. PLAS farmers are the dominant recipients of RECAP with almost 70% of them indicating that they have benefited from it.

**Table 5.2: Share (%) of land transfer beneficiary households receiving types of agricultural support (valid N=115)**

Type of Agricultural Support	SLAG N=23	LRAD N=70	PLAS N=13	Private & Other Land Deals N=6	Land Restituti on N=3	Total N=115
On-farm Infrastructure (CASP)	13.04	38.57	15.38	0	33.33	28.7
Production inputs (CASP)	30.43	28.57	0	50	0	26.09
Training support (CASP)	52.17	25.71	15.38	16.67	66.67	30.43
Land Reform Recapitalisation	0	4.29	69.23	0	0	10.43
MAFISA Loans	0	1.43	0	0	0	0.87
Other Agricultural Support	4.35	1.43	0	33.33	0	3.48

Note: 'N' includes valid observations

Data reported in the next table show whether households might have received more than 1 type of the farmer assistance package from government departments. Approximately 76% of households indicated that they have benefited from at least on form of the agricultural support package from the government with another 20% indicating that they have received 2 types of support whilst 4% of household reportedly obtained more than 3 types of support.

**Table 5.3: Share of households receiving 1 or more types of support by Province**

Number of Assistance Types	Western Cape N=46	Kwazulu-Natal N=27	North West N=46	All Households N=119
At least 1 type	63.04	66.67	82.61	71.43
At least 2 types	26.09	29.63	15.22	22.69
At least 3 types	10.87	3.7	2.17	5.88

Note: 'N' includes all valid observations.

Agrarian reforms aimed at large-scale structural change should, ideally, incorporate agricultural development support as an integral part of the farmland application, approval and transfer process (Jacobs et al 2008). Newly settled farmers must have the necessary resources to effectively and efficiently use their farmland as soon as possible after the property has been transferred to them. Such upfront assistance, delivered at the right time, should lower critical post-transfers risks that are so characteristic of primary agriculture.

State-funded agricultural assistance is premised on demand-led principles in which land reform farmers must express their farming needs, submit an application (including a farm-use and business plans) and wait on the approval of finance to purchase required inputs or enrol for training. As far as we could establish, this process is still separate from the process to access farmland through government's land reform programme.

When land reform beneficiaries submit an application for farming assistance, they clearly rely on the local departments of agriculture and land reform during this stage of what might be a lengthy

procedure. Some beneficiaries are helped with their agricultural support applications by commercial farmers and this practice appears to be dominant in Western Cape.

**Table 5.4: Share (%) of farm households assisted by stakeholders to apply for state-funded agricultural support**

<b>Actor/Stakeholder</b>	<b>Western Cape N=63</b>	<b>KwaZulu-Natal N=105</b>	<b>North West N=49</b>	<b>Total N=217</b>
Ex-commercial farmer of transferred farmland	31.75	2.02	2.04	10.9
Government appointed mentor (commercial farmer)	26.98	4.08	4.08	10.95
DRDLR local office	46.67	19.05	30.61	29.44
DAFF -local office	58.18	20.79	65.31	41.46
Municipality	6.67	3.03	0	3.37
Farmer association	6.45	4.04	2.04	4.29
Non-Governmental Organization	3.23	1	0	1.42

Notes: Estimates based on valid observations (N=); "NO" responses not reported.

Which stakeholders help farm households with better (or optimal) farmland use and increased agricultural production? Overall, as displayed in the following table, land reform farmers cited the Department of Agriculture as a leading supporter of farmland use and on-farm production but the responses are unevenly distributed across the three provinces. In North West province, for example, 70% of farmers said that they have received on-farm production assistance from DAFF, followed by another 12% who have been helped by DRDLR. Experiences with on-farm production support follow a similar pattern among farmers in KwaZulu-Natal. A key difference though is that smaller shares of Kwa-Zulu-Natal farmer have been receiving on-farm production assistance from DAFF and DRDLR, with positive responses at 18% and 14.7% respectively. Even though KwaZulu-Natal land reform farmers reported more limited farming assistance from other role-players, compared to direct help from local agricultural and land reform officials, they evidently draw upon a wider range of other stakeholders for on-farm production help. Commercial farmers, primarily government-appointed mentors, assist roughly 5% of farmers, whereas 3.9% reportedly get assistance from non-governmental organisations and roughly the same share reporting assistance from municipalities,

In contrast to the other two provinces, Western Cape land reform farmers are heavily depend on commercial farmer support, especially commercial farmers who had previously farmed on the transferred farmland, for on-farm agricultural activities. While 41% of land reform beneficiaries indicated that they depended on a government appointed mentor for help with agricultural production, 53% relied on the farmer who had farmed the same farmland before. The local department of agriculture supported the farming activities of 37% of land reform farmers, compared to 13% who obtained similar assistance from local land reform officials. Slightly more than 4% of Western Cape farmers indicated that help from non-governmental organisations enabled them to better use their farmland.

**Table 5.5: Share of farm households helped by stakeholders to improve farmland use and agriculture by Province**

<b>Actor/Stakeholder</b>	<b>Western Cape N=77</b>	<b>KwaZulu -Natal N=104</b>	<b>North West N=57</b>	<b>Total N=238</b>
Ex-commercial farmer of transferred farmland	53.25	2.88	1.75	18.91
Government appointed mentor (commercial farmer)	40.79	4.9	1.75	15.74
DRDLR local office	13.04	14.71	12.28	13.6
DAFF -local office	37.14	18.1	70.18	36.64
Municipality	2.82	3.88	0	2.6
Farmer association	2.86	2.88	0	2.16
Non-Governmental Organization	4.29	3.85	0	3.03

Notes: Estimates based on valid observations (N=); "NO" responses not reported.

Table 5.6 reports information about the extent to which farmers are actively using on-farm infrastructure. This is a limited statement on the status of on-farm infrastructure on land reform farms. The statistics must be interpreted with great caution because this direct farm inventory question did not invite very high response rates. In the case of the farmers without support, the response rates ranged from a minimum of 8 farmers to a maximum of 61 farmers; whereas for recipients of farming assistances, the upper boundary of responses was capped at 52.

Despite this relatively small share of valid observations, the mean shares of active usage of farm infrastructure are very revealing. Across almost all types of water supply and built infrastructure, larger numbers and shares of farmers with agricultural development support tend to use the on-farm infrastructure than their counterparts without government farming assistance. Consider the case of dipping tanks: both categories have the same numbers but 89% of farmers with support actively use the dipping tanks compared to 73% of farmers without support. Turning to other livestock handling facilities, the shares are marginally higher for farm households with support: 87% compared to 86%. Turning to the usage of water storage, 90% of farmers without government support actively use this on-farm facility compared to 84% for farmers who receive assistance from government. A similar pattern can be seen for fencing and farm gates: 100% for non-supported farmers compared to 96% for recipients of farming assistance.

**Table 5.6: Share (%) of farmers without and with state-funded agricultural support reporting active use of on-farm infrastructure**

On-farm infrastructure type	Without ADS		With ADS	
	N	%	N	%
Dams	61	77.22	28	80
Weir	20	86.96	36	92.31
Boreholes	36	76.6	52	77.61
Natural Rivers/streams	33	73.33	16	61.54
Water storage tanks	36	90	47	83.93
Livestock handling facilities (pens; shearing sheds; etc.)	32	86.49	47	87.04
Dip Tanks	8	72.73	8	88.89
General storage facilities	30	90.91	51	89.47
Grading Sheds/Pack Houses	10	71.43	8	61.54
Electricity infrastructure	34	79.07	44	86.27
Fencing and farm gates	36	100	51	96.23
Farm House	30	85.71	40	93.02

Notes: Estimates based on valid observations (N=); "NO" responses not reported.

Figures 5.2 and 5.3 display the status of on-farm irrigation systems found on land reform farms in Western Cape and KwaZulu Natal, respectively. Each figure compares farm household responses at two different points: at the initial land transfer date and post-settlement at the time of the interview. In the Western Cape, the self-reported irrigation systems on land reform farms are predominantly drip and sprinkler irrigation systems. When they took ownership of the farms, approximately 45% of farm households said that they found functioning drip and sprinkler irrigation systems on the farms.

**Figure 5.2: Self-reported status of on-farm irrigation system pre- and post-settlement, Western Cape**

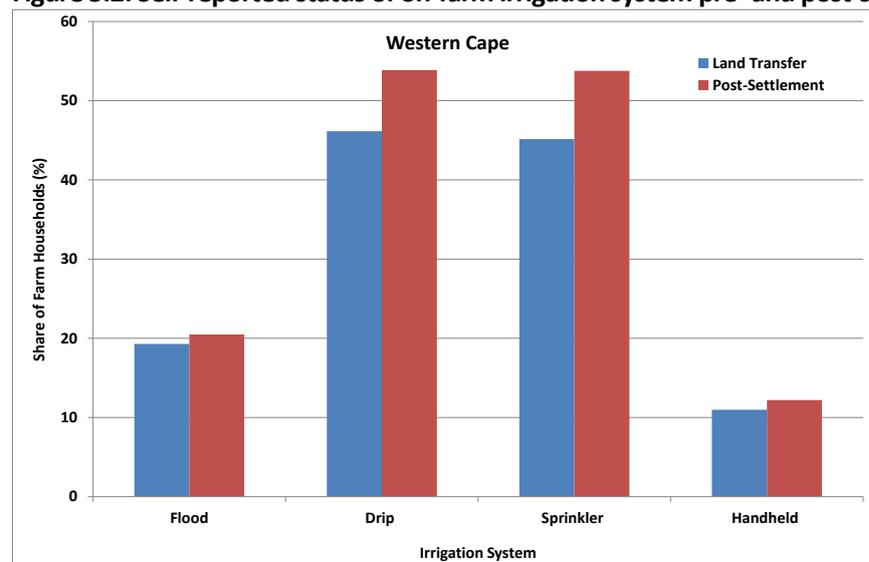


Figure 5.3 shows the status of the types of irrigation systems used on land reform farms in KwaZulu-Natal. At least 50% of farm households reported that they found sprinkler or handheld irrigation

systems at the time of land transfer and when they started using the farm. Approximately 25% of farm household said that the farm had a flood irrigation system when it was transferred to them. More than 50% of farmers reported that handheld irrigation was in use on their farmland- followed by sprinkler (50%) and flood irrigation systems (25%).

**Figure 5.3: Self-reported status of on-farm irrigation system pre- and post-settlement, KwaZulu-Natal**

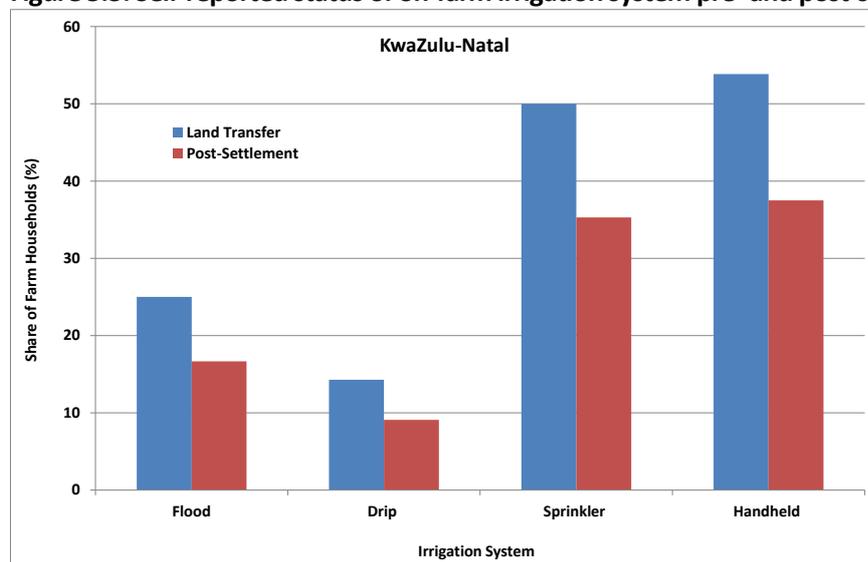


Table 5.7 ranks the types of irrigation systems in terms of the numbers of farm households actively using these systems, thus going beyond the irrigation inventory responses reported in figures 5.2 and 5.3. Land reform farmers who do use any type of irrigation appear to mainly use sprinkler and drip irrigation systems. It is however interesting to note that a higher proportion of farmers with agricultural support (72%) use sprinkler irrigation than those farmers without government-financed farm investments (68%).

**Table 5.7: Farm households actively using irrigation systems**

Irrigation System Actively Used	N	Y/N	Without ADS	With ADS
Sprinkler	63	Yes	<b>67.65</b>	<b>72.41</b>
		No	32.35	27.59
Drip	54	Yes	<b>76.47</b>	<b>65</b>
		No	23.53	35
Flood	24	Yes	<b>64.29</b>	<b>60</b>
		No	35.71	40
Handheld	22	Yes	<b>45.45</b>	<b>63.64</b>
		No	54.55	36.36
Pivot	18	Yes	<b>41.67</b>	<b>66.67</b>
		No	58.33	33.33

In summary, the low response rates for irrigation systems in North West, combined with the relatively high level of livestock ownership, suggests that land reform farmers in this province rarely

engage in extensive crop farming. Western Cape farm households, on the other hand, settle on farms with capital intensive irrigation systems, whereas the highest share of farmers in the two KwaZulu-Natal districts mainly use handheld irrigation equipment. Another intriguing pattern emerges from a comparison of irrigation systems across the Western Cape and KwaZulu-Natal districts over time: investment in and use of the dominant irrigation systems in Western Cape tend to intensify post-settlement whereas the complete opposite situation prevails on land reform farms in KwaZulu-Natal.

### **Post- Farm gate support**

On-farm production assistance is a necessary but not sufficient area of support that land reform farmers may need for sustainable farming. Although support to access agricultural output markets might also be seen as crucial and probably a more difficult environment for resource-poor farmers given the concentrated nature of this segment of agricultural value chains, it has received less attention and remains under-researched. Moreover, market access has many components: direct sales of consumable fresh produce as well as agricultural outputs sold to agro-processors; intermediate steps and costs to facilitate these transactions, such storage and transportation; and so forth. This section reports and explains survey findings about farmers' post-farm gate activities and relevant support received or needed.

The following table brings together information about participation in post-farm gate agricultural activities with an emphasis on sales and own-consumption. Comparing land reform farmers who did not receive state-funded farmer support with those who did, the results suggest the average farmer receiving agricultural assistance from government might be slightly ahead of non-recipients in terms of selling farm outputs. To place this post-production evidence in context, it is important to note that a sizeable majority of farmers (well above 60%) are active in crop and livestock agriculture. However, farmers getting state-assistance are more actively engaged in agriculture (73%) than their counterparts without programmed farmer support (64%). While programmed agricultural support accounts for some of this gap in the intensity in farm production between the two groups, what is of concern is that more than 25% of assisted farmers do not actively farm (less than 36% of inactive non-supported farmers). Reasons for not actively farming on transferred land require further investigation for more plausible and accurate explanations of group disparities.

Even though a relatively small share of farm households sell crops and livestock (37% of sampled households), a comparison between the two groups of farmers is revealing. A substantially large share of land reform farmers without publicly funded farmer assistance does not sell their agricultural outputs in different markets (71%) compared to farmers with support (42%). Slightly less than 29% of non-recipients of farmer support sell crops and livestock. Double this share of farmers with support (58%) sell in agro-food output markets.

While the previous question focused on the whether households sell anything, it is also important to find out the main objective behind a household's engagement in agriculture. Table 5.8 also displays

information on the primary motive behind agricultural activities on land reform farms with and without programmed farmer support. The primary objective of some farmers is producing enough food for household consumption whereas others are driven by income generation and profitably objectives, which depends on the sale of agricultural produce. Overall, the relatively higher response rates for those who produce food for own consumption suggests that household food security considerations dominate the motivation of land reform farmers.

Farmers without state-funded agricultural support use their produce either as the main or extra source of the household's food supply whereas those with support do so as a main or extra income source. In terms of the food security oriented farmers, 44% and 35% of farmers without support ranked use their farm output as the main or extra food source for the family, respectively. By contrast, marginally smaller shares of beneficiaries of farmer support packages produced either as the main (35%) or extra (28%) food source. When looking at farming for income, these shares are reversed.

**Table 5.8: Engagement in agriculture, output markets and food production among farm households with and without agricultural support**

Activities		N	Without ADS	With ADS
Actively farming	Yes	167	63.69	72.83
	No	82	36.31	27.17
Selling Crops & Livestock	Yes	111	28.67	58.12
	No	156	71.33	41.88
<i>Main Purpose for Farming</i>				
Main Food Source		117	43.86	35.29
Main Income Source		99	27.49	43.7
Extra Income Source		52	15.2	21.85
Extra Food Source		93	35.09	27.73
Leisure Activity		69	21.64	26.89

Notes: Estimates based on valid observations (N=); "NO" responses not reported.

As reported in table 5.9, farm-households obtain very limited help from the department of agricultural (DAFF) to access agricultural output markets. Except for 24% of farmers in North West who reportedly have been helped by DAFF, the shares of farmers in other provinces who have been assisted in getting a foothold in farm-output markets fall in the 5%-8% range. The departments of land reform and agriculture evidently play marginal roles in helping land reform farmers accessing agricultural output markets.

**Table 5.9: Share of farm-households helped by stakeholders to access agricultural output markets**

Actor/Stakeholder	Western Cape N=73	KwaZulu-Natal N=104	North West N=62	Total N=239

Ex-commercial farmer of transferred farmland	51.25	3.88	0	18.37
Government appointed mentor (commercial farmer)	34.62	2.94	1.61	12.81
DRDLR local office	5.63	7.84	4.84	6.38
DAFF -local office	5.71	7.69	24.19	11.44
Municipality	1.35	2.91	0	1.67
Farmer association	2.78	3.92	1.61	2.97
Non-Governmental Organization	5.48	2.88	0	2.93

Notes: Estimates based on valid observations (N=); "NO" responses not reported;

Does the average farmer with state-funded farming assistance sell more than those without such support? Livestock ownership is a useful context and starting point for an analysis of the livestock sales and distribution patterns. Over time, it should give a sense of livestock accumulation patterns. Relatively high but falling numbers of farmers responded to the question on cattle ownership as reported in table 5.10. Fewer farmers are building up their asset wealth in the form of large livestock units. Fewer farmers own small livestock unit and there appears to have been a steep decline in sheep ownership: 81% of these farmers without support owned sheep when their settled on the land reform farmland compared to 33% at the time when they were visited by a data collector.

**Table 5.10: Average number of livestock owned by farmers without agricultural support at land settlement versus post-transfer interview time**

Livestock Type	Settlement Time		Post-transfer interview time	
	N	mean	N	mean
Cattle (meat)	68	26.9	65	27.6
Cattle (diary)	39	10.9	36	12.8
Bulls (Breeding)	19	2.32	17	2.53
Goats	30	30.1	27	31.5
Sheep	23	81.3	23	32.7
Pigs	10	9.1	12	12.8
Chicken	54	34.9	55	24.8

For farmers with government agricultural assistance, as reported in table 5.11, there were marginally fewer large livestock owners at the two reference periods. However, the shares of farm households who now own more large stock units show a considerable increase. Across all types of small livestock owned, there are marginal declines in the reported shares of owners if we compare the situation at the time of settling on the farm with the situation at the time of the fieldwork interview.

**Table 5.11: Average number of livestock owned by farmers with agricultural assistance at land settlement versus post-transfer interview time**

Livestock Type	Settlement Time		Post-transfer interview time	
	N	mean	N	mean

Cattle (meat)	54	58	52	70.8
Cattle (diary)	17	17.8	13	18.9
Bulls (Breeding)	30	2.3	28	2.57
Goats	23	38.7	24	27.3
Sheep	18	44.7	16	38.7
Pigs	9	15.4	9	14.7
Chicken	32	54.7	31	52.1

An interesting pattern emerges from the data on the average units of livestock sold or consumed by each farmer group displayed in table 5.12. (Results for less common types of livestock- with fewer than five observations- are not reported because these averages show no meaningful insight.)

On average, looking at own consumption, the average farmer without agricultural support tends to consume a larger number of livestock units compared to their counterparts with the support. The average farm household with agricultural development support is marginally selling more livestock than the households without programmed support.

**Table 5.12: Average number of livestock consumed and sold by farmers without and with ADS**

Livestock Type Consumed/Sold	Without ADS		With ADS	
	N	mean	N	mean
<i>Livestock consumed (average number)</i>				
Cattle (for meat)	19	<b>2.2</b>	34	<b>2</b>
Goats	13	<b>3.2</b>	17	<b>2.3</b>
Sheep	14	<b>6</b>	14	<b>3.2</b>
Pigs	7	<b>2</b>	6	<b>2.2</b>
Chickens	26	<b>21</b>	22	<b>11</b>
<i>Livestock Sold (average number)</i>				
Cattle (for meat)	36	<b>13</b>	45	<b>17.3</b>
Cattle (for dairy)	17	<b>3</b>	11	<b>5</b>
Goats	14	<b>14</b>	16	<b>17.3</b>
Sheep	19	<b>15.2</b>	12	<b>14</b>
Pigs	9	<b>8.2</b>	5	<b>45</b>
Chickens	19	<b>37</b>	18	<b>37</b>

Notes: Estimates based on valid observations (N=); "mean"= average number of livestock per household

Table 5.13 displays information on the main crop markets where sampled farmers sell their outputs, keeping in mind the small numbers active sellers of marketable surpluses. Sales of crop outputs vary greatly by specific market outlet. However, three localised markets form the hubs of the most intensive crop sales: in local formal markets, direct sales to individuals in the local community and to informal traders. The miniscule number of number of farmers participating in national fresh produce markets and sales to supermarkets and agro-processing factories are all recipients of assistance from

government. Land reform farmers without government farming support do not sell in any of these markets.

**Table 5.13: Shares (%) of farm households selling crops in the last 12 months to market outlets**

Buyers/Market Outlets	HH Respond	Without ADS	With ADS
	Y/N (%)		
Local formal markets	N=29	18	11
	Yes	44.44	63.64
	No	55.56	36.36
Individual consumers in community	N=25	14	11
	Yes	28.57	72.73
	No	71.43	27.27
Informal markets (small traders)	N=20	14	6
	Yes	28.57	33.33
	No	71.43	66.67
National Fresh Produce Markets	N=17	10	7
	Yes	0	100
	No	100	57.14
Agro-processing factory	N=17	10	7
	Yes	0	42.86
	no	100	57.14
Supermarkets	N=15	10	5
	Yes	0	20
	no	100	80

N=Valid observations; N<15 not reported due to unreliably low cell frequencies

In the context of the overall sample, a small numbers of farm households raising livestock actively sell their output in a limited range of market outlets: local formal markets, individuals in the local communities and abattoirs. The information in table 5.14 shows that livestock sellers who receive agricultural support from government are the most active sellers in all these markets. For farmers without support, the shares of livestock sellers fluctuate between 33% of sellers to abattoirs and to 77% who sell to individuals in the community.

**Table 5.14: Shares (%) of farm households selling livestock in the last 12 months to market outlets**

<b>Buyers/Market Outlets</b>	<b>Valid Observations</b>	<b>Without ADS</b>	<b>With ADS</b>
Local formal markets	<i>N=43</i>	22	21
	Yes	72.73	100
	No	27.27	0
Individual consumers in community	<i>N=33</i>	22	11
	Yes	77.27	100
	No	22.73	0
Abattoirs	<i>N=13</i>	9	4
	Yes	33.33	100
	No	66.67	0

N=Valid observations; N<13 not reported due to unreliably low cell frequencies

## Conclusion

State investment in agricultural development support for smallholder farmers is common in other developing countries as well, such as Mexico, Ghana, Benin and Tanzania, among other developing countries. For example, the Agricultural Input Subsidy in Malawi (voucher system for seeds and fertilizers) has been well-documented and more recent studies have investigated agro-food markets linkages and food security spillover effects. Mexico's PROCAMPO has been designed to assist smallholder corn/maize farmers adversely affected by the switch to NAFTA in 1994.

Recommendations for appropriate agricultural assistance include drawing on experiences with the Farmer Support Programme (FSP) of the late 1980s, designed by the Development Bank of Southern Africa (DBSA) for farmers in the former homelands (Vink, Van Rooyen & Karaan 2012). Premised on a notion of overcoming agricultural dualism in South Africa, the FSP involved an integrated package of agricultural assistance which became entrenched as the dominant approach of how DBSA would fund agricultural development.

## **CHAPTER 6: INSTITUTIONAL DYNAMICS /ARRANGEMENTS**

### **Introduction**

Institutional arrangements and dynamics of the South Africa agrarian reform (land reform, restitution and land tenure reform) programme have been criticised from the overall design of the various forms of the reforms; the actual implementation and lack of sustained and coherent post-settlement support. Generally, institutional dynamics among beneficiaries and various government institutions have contributed to the large number of dysfunctional agrarian reform projects in the country. This is in addition to other challenges such as poor design, negative dynamics within groups and lack of post-settlement support<sup>9</sup>. This chapter discusses some of the core institutional issues of the agrarian reform programme in South Africa. The institutional issues are discussed at three different levels: national, project/household and civil society. The first part of the chapter presents a brief discussion of institutions and agricultural development. This is followed by a discussion of the institutional issues raised in the broad agrarian reform literature in the country. The third part interrogates the institutional arrangements and dynamics using primary data collected in three case study provinces of North West, Western Cape and KwaZulu Natal. The discussions and analyses focus on the implications of the observed institutional arrangements and dynamics on the performance of the agrarian reform programme and or projects. Particularly, the chapter focuses on how these arrangements and dynamics could have facilitated and or hindered contribution of the agrarian reform to the overall goal of poverty reduction.

### **Institutions and agricultural development**

This section briefly discusses the theoretical issues of institutional arrangements and foundations for agricultural development. Institutional development is a key ingredient for agricultural development (Dorward et al 2004). Institutions are defined as the “rules of the game” (North 1990) and a distinction is made between the “institutional environment” (governing for example property rights and general relations between economic agents) and “institutional arrangements” (the specific rules governing specific transactions) (Davis and North 1971).

The policies implemented during rapid increases in smallholder food crop production “green revolutions” around the world suggest various necessary institutional and technical conditions for such increases to occur. These conditions include: appropriate and high yielding agricultural technologies, local markets offering stable output prices that provide reasonable returns to investment in ‘improved’ technologies, seasonal finance for purchased inputs, reasonably secure and equitable access to land, with attractive returns for operators (whether tenants or land owners) and infrastructure to support input, output and financial markets. Although in the past these conditions depended on favourable local and global conditions (including institutional environment), they were also associated with state investment in infrastructure, research and extension and other

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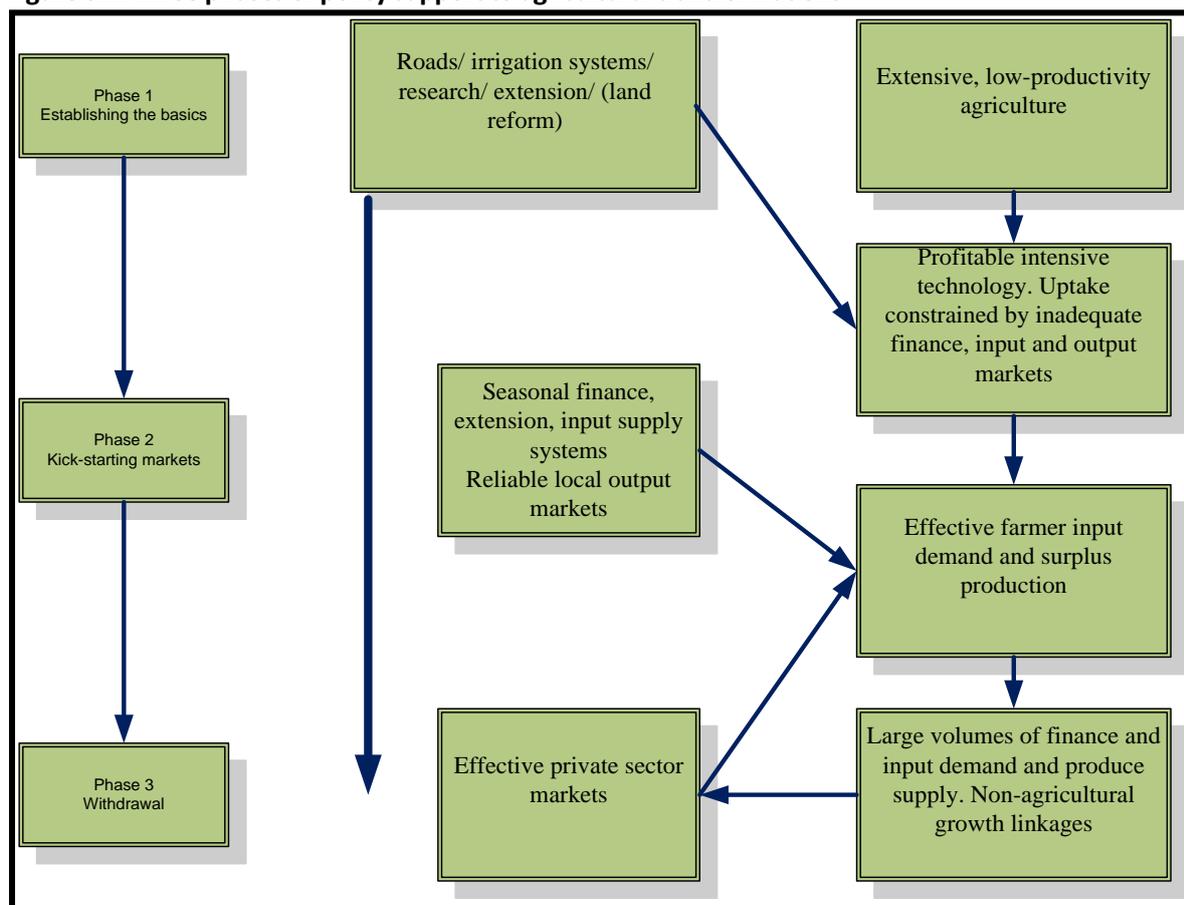
<sup>9</sup> Farmers Weekly, 18 November 2005, ‘Didiza offers reasons for Limpopo failures’.

interventions such as price stabilisation (maintaining prices between import and export parity), guaranteed procurement and input supply and credit subsidy (Dorward et al. 2004).

Figure 6.1 below presents the process necessary for rapid growth in farm sector and wider economy in the poor rural areas (Figure 6.1). The summary draws from new institutional economics arguments outlined above, policy experience in the green revolution areas and detailed examination of agricultural successes and failures from around the world. The Figure shows how combinations of technical, infrastructure and market interventions to pro-poor agricultural growth may be sequenced.

Interventions for phase 1 focus on establishing the basic infrastructure and institutions for more productive technologies. Agricultural transformation may then be 'kick started' by government interventions (in phase 2) to enable farmers to access input, output and finance markets at low cost and low risk and to stimulate private sector involvement in these activities. In more favourable environments with highly productive technologies and large markets, subsidies are required primarily to cover transaction costs, not to adjust basic prices. When farmers are used to the new technologies and when credit, insurance, input and produce volumes have built up, transaction costs per unit will begin to fall and will be pushed down further as non-farm activity is stimulated by growth linkages. Governments should then withdraw from these market interventions (phase 3), transferring attention to supporting conditions that will promote development of the non-farm rural economy. Such interventions will be more costly and less effective if they are introduced too early (without establishment of the basic conditions), or continued too long (after they have ceased to be beneficial), and pressure to prolong price subsidies has to be resisted. Current liberalisation policies in poor rural economies unrealistically attempt to move straight from phases 1 to 3.

**Figure 6.1: Three phases of policy support to agricultural transformations**



Source: Dorward et al. 2004

## **Institutional arrangements and dynamics in South African agrarian reform**

### ***National level institutional arrangements and dynamics***

Agrarian reform in South Africa is mainly viewed as the ultimate test for the social, political and economic transformation of the country (de Villiers 2003). The agrarian reform process has faced institutional dynamics that have impacted on delivering the intended outcomes of reducing poverty, promoting food and agricultural production etc. Generally, the agrarian reform's institutional arrangements at the national level have been characterised by fragmentation of service delivery within the three tiers of government. Criticism has been levelled against lack of clear institutional roles and responsibilities of the various departments. For example, post-settlement support for agrarian reform programmes/ projects has been marred by the general lack of co-ordination and communication between the key Departments of Agriculture and Land Affairs, and other institutions such as the Department of Housing, the Department of Water Affairs and Forestry and local government structures (Lahiff 2008). In addition, agrarian reform processes lacked the necessary institutional mechanisms for project implementation and monitoring.

The above observations have been evidenced by lack of coordinated provision of planning, implementation and post settlement support to beneficiaries of land reform's restitution,

redistribution and tenure reforms between the Department of Agriculture (now Department of Agriculture, Forestry and Fisheries) and Land Affairs (now Department of Rural Development and Land Reform), between the national and provincial, and local authorities and farmers organisations and business. The major institutional challenge the government has always faced is to identify and implement the most appropriate mechanisms for ensuring the resourcing of interdepartmental programmes. For example, under the LRAD programme, LRAD only supported the Land Affairs component of the plan and no clarity existed on how the agriculture component should be financed. In some instances, this component has been organised on an *ad hoc* basis, with the result that its impact has been partial at best (DoA 2004).

As noted above, the role of different government institutions in pre- and post-restoration has been criticised for lack of clarity. For example (de Villiers 2003):

- During the claim phase the DLA (now DRDLR) initially directed the process in a much centralised manner to the virtual exclusion of other national and provincial government departments. The DLA had an exclusive claim settlement style and paid little, if any, attention to the development of a land management policy that would follow restitution. In recent years the new DRDLR has shown greater awareness in involving other national and provincial departments as well as local authorities in the pre-acquisition process but there is still no integrated and coherent strategy whereby the role and functions of the respective departments are spelt out at a national level.
- The other issue has been lack of clarity on who takes responsibility to make the land policy 'work' and who takes ownership of the process once land has been acquired. The DLA was not geared to oversee implementation but at the same time no other department has been instructed to oversee or to coordinate the process. The skills required to assist in the settlement of new landowners are in many instances not found in a single government department as the needs of people may span various departments such as Education, Finance, Agriculture and Environment. This called for the need for an integrated policy with a single department taking responsibility for general guidance and policy development but with the actual fieldwork being undertaken by the respective specialist line function departments.
- There is no coherent or sufficient national land use policy that could guide the actions of specific departments or levels of government in dealing with problems experienced by new landowners. As a result many new owners have a sense of being left alone to fail as the type of support that kept white farmers on the land for generations is simply no longer available. Although efforts are being made to involve local governments more effectively, it should also be noted that many local governments suffer serious capacity and financial problems—this is especially the case in rural areas. It may also not be fair to burden local governments with the implementation of a land policy they played little role in developing.

Since 2004 a number of agricultural support programmes for land reform beneficiaries were announced: the Comprehensive Agricultural Support Programme (CASP) in 2004; the Letsema-Ilima Campaign in 2007; the Land and Agrarian Reform Project (LARP) in 2008 and the Comprehensive Rural Development Programme (CRDP) in 2009. However, most of these are to be implemented by

provincial departments of agriculture, but these programmes appear to be under-funded, poorly planned and ineffective to date (Lahiff 2008). LRAD made no provision for the subdivision of farm land and thus applicants had to focus on large farms and need the resources to operate these – especially during the crucial start-up phase. The unintended impact is that this further reduces the opportunities for success among poor applicants. Below we briefly discuss the CASP and CRDP programmes.

#### *Comprehensive Agricultural Support Programme (CASP)*

The Comprehensive Agricultural Support Programme launched by the Departments of Agriculture and Land Affairs in 2004, was an attempt to better co-ordinate support services. The programme is based on the concept of public-private-community cooperation for service delivery. In order to implement the CASP programme, the then national DoA proposed a three-pronged strategy:

- To align all support services to the six CASP priority areas,
- To phase in the basic support services related to on-and-off –farm infrastructure; and
- To develop a policy for agricultural financing

Provincial Departments of Agriculture were mandated to implement the farmer support services within the CASP policy framework. Furthermore, provincial departments were required to develop partnerships with the private sector in order facilitate the implementation of the programme. A phased-in approach was envisaged and additional resources (in the form of conditional grants and through the equitable share allocation) were made available to allow departments to gradually introduce strategic interventions as outlined under the CASP framework.

With regard to effective agricultural support to targeted land reform beneficiaries, the institutional challenges facing the CASP include:

- The alignment of budgets and systems between the Department of Land Affairs (now DRDLR), the National Department of Agriculture (now DAFF) and the Provincial Departments of Agriculture;
- Stepping up capacity building and technical advisory to land reform beneficiaries; and
- Integrating the Agriculture Starter Pack (ASP) into the Household Food Production Programme (HHFP), as it is part and parcel of the CASP and supported LRAD beneficiaries.

#### *Comprehensive Rural Development Programme (CRDP)*

The CRDP is Strategic Priority Number 3 within the government's current Medium Term Strategic Framework (MTSF). The South African Government conceptualised the CRDP in 2009. It is considered different from previous government initiatives in rural areas because it is based on proactive and participatory community-based planning (DRDLR, 2009). A key thrust of the programme's framework is an integrated programme of rural development, land reform and agrarian change:

- Broad-based agrarian transformation – increasing and improving all types and scale of agricultural production; optimal and sustainable use of natural resources; the adoption of locally appropriate and sustainable technologies; improving food security; and improving the quality of life of each rural household.

- Strategically improved rural development – the improvement of economic and social infrastructure, along with increased quantity and quality of public amenities and facilities. This is necessarily complemented with improved institutional infrastructure.
- Improved land reform programme – inclusive of restitution processes, redistribution and reform of land tenure arrangements.

The strategic objective of the CRDP is to “facilitate integrated development and social cohesion through participatory approaches in partnership with all sectors of society” (DRDLR, 2009). To ensure this objective, the CRDP aims at being an effective response to poverty and food insecurity by optimising the local use and management of natural resources to ensure “vibrant, equitable and sustainable rural communities”.

Generally, institutional arrangements of the CRDP try to address the shortfalls of the preceding rural development and agrarian reform programmes. However, there is still more to be done to realise the overall objectives of significantly contributing to poverty reduction and creating vibrant and sustainable rural communities.

### ***Project level institutional arrangements and dynamics***

Institutional structures and dynamics at project level have been a major concern affecting agrarian reform projects. In addition to the general lack of support for productive activities, performance of agrarian reform has been adversely impacted by lack of external support for collective landholding institutions such as CPAs and trusts. Central institutional dynamics that have contributed to hindering performance include: failure to define clear criteria for membership of the CPA or the rights and responsibilities of members, lack of capacity for dealing with business and administrative issues, and lack of democracy both in procedural matters and in terms of access to benefits (CSIR 2005; Everingham & Jannecke 2006; Maisela 2007; Lahiff 2007; Manenzhe 2007). Lahiff (2008) noted that these problems tend to be greatly compounded where the CPA is involved in commercial or productive activities on behalf of its members, in addition to the usual activities of land administration. A general lack of oversight and support from the DLA (now DRDLR) (which, in terms of the Communal Property Associations Act 28 of 1996, is responsible for monitoring CPAs and maintaining the public register of CPAs) means that problems within CPAs are not easily uncovered and, if they are, few remedies are available.

According to Anseeuw and Mathebula (2008), the problems could be traced back to pre-settlement organizational procedures. The institutional processes for agrarian reform projects were usually initiated externally, especially in SLAG projects, through the Department of Agriculture (now DAFF) or Land Affairs (now DRDLR) or an appointed consultant. Potential beneficiaries were organised into CPAs or trusts, usually following existing power structures. The result was apathy among a large portion of the beneficiaries; opportunities for illegal practices and misuse of assets by those in power on behalf of a minority of beneficiaries. Furthermore, this resulted in internal and internal-external conflicts (either resulting in the entire blockage and collapse of the project; lack of responsibility and motivation; or illegal practices, misuse of assets and vandalism by excluded people).

Another challenge related to institutional and legal entities formed for agrarian reform projects. Two main types of constitutions were adopted for agrarian reform projects: (a) representing the entire group/trust (with title deed on the name of all beneficiaries), (b) representing the management committee (with title deed on the name of the management committee members). In most cases, the actual beneficiaries/management committees present on the agrarian reform projects are different from the representative entity due to challenges such as power struggles, many unengaged beneficiaries, beneficiaries leaving the projects etc. The implication has been failure to access services, especially financial services to develop acquired land. In most cases, applicants are refused credit as their names do not correspond to those on the title deeds. Furthermore, decision making has also suffered from the institutional dynamics in agrarian projects. Usually, decisions are made from outside sometimes leading to mismanagement and unfairness; or decisions simply cannot be made since the people are absent or are of insufficient numbers (Anseeuw and Mathebula 2008).

Generally, the CPAs have not necessarily been a resounding success. While in some instances it has provided the community with *legal personae* and therefore a basis upon which to manage their land in accordance with corporate procedures, the CPA process has also been perceived as imposed and foreign (de Villiers 2003). In many instances communities have perceived a CPA to be artificial and not reflective or responsive to local needs, and some new landowners were even forced to agree to a legal mechanism simply to speed up their restitution, although the mechanism did not suit their customary, community or cultural purposes. Many CPAs have become the battleground for in-fighting, dominance and despotism. The relationship between the CPA as land holding body and traditional authorities in rural areas has caused power struggles. Government has also not been able to provide ongoing support to CPAs to assist them in the development and management of corporate procedures that are appropriate for the land they are holding.

### ***Civil society level institutional arrangements and dynamics***

Non Governmental Organisations (NGOs) have been requested to provide post-settlement support to agrarian reform beneficiaries. Furthermore, there has been lack of support for agrarian reform beneficiaries (new farmers, who in most cases would be incapable of paying for such services) from the well-developed (private) agri-business sector that services large-scale commercial agriculture. For private sector support, agrarian reform beneficiaries were expected to exert effective demand for private sector services, however lack of financial resources to afford the services and institutional dynamics of the beneficiaries have contributed to the general absence of real evidence of support from the private sector (Lahiff 2008).

## **Data and empirical findings of institutional arrangements and dynamics in North West, Western Cape and KwaZulu Natal provinces**

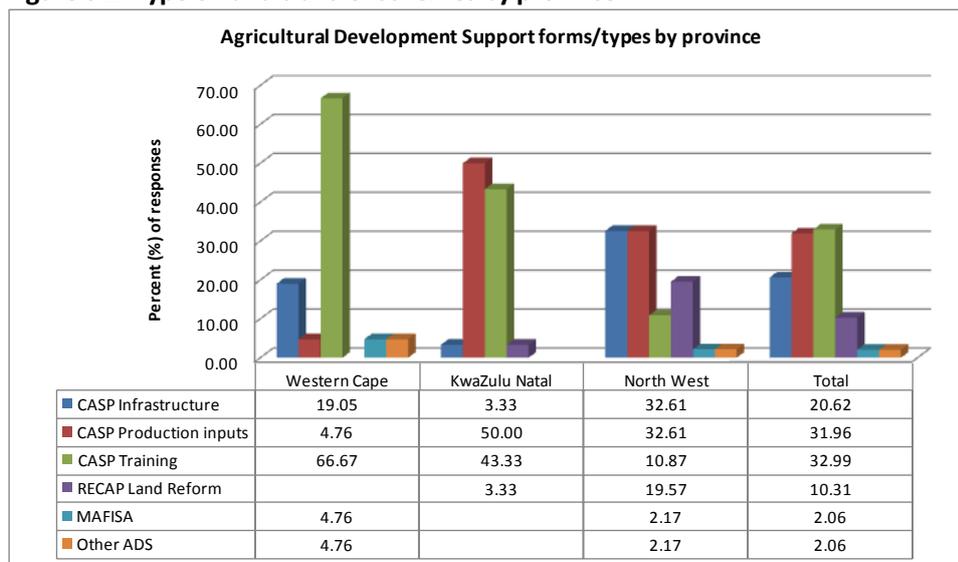
This section discusses the institutional arrangements and dynamics based on primary data collected in three case study provinces of North West, Western Cape and KwaZulu Natal. The discussions and analyses focus on the implications of the observed institutional arrangements and dynamics on the

performance of the agrarian reform programme and or projects. Particularly, the chapter focuses on how these arrangements and dynamics could have facilitated and or hindered contribution of the agrarian reform to the overall goal of poverty reduction.

**National level institutional arrangements and dynamics**

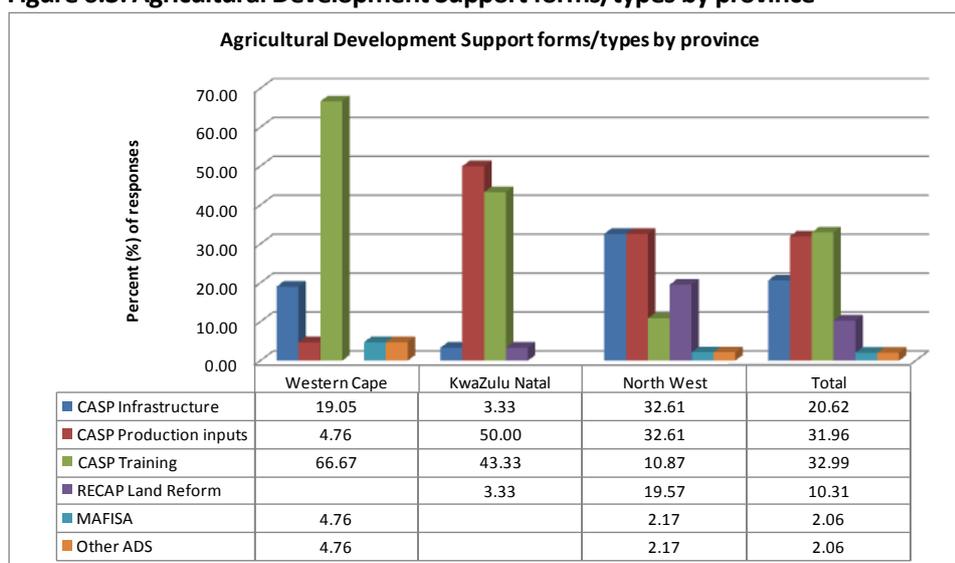
Figure 6.2 and Figure 6.3 below present the composition of the sample for the study in terms of different types of land transfers and agricultural development support by province respectively. Overall, the sample for this study constituted SLAG and LRAD land reform and agricultural development support projects with total responses of 27% and 55% respectively. Restitution claim projects and private land deals were each less than 5% of the total sample. Over 80% of the sampled farms received agricultural development support from CASP. Figure 6.44 shows further analysis of the agricultural development support forms/types by type of land transfer schemes. From the results restitution claim, SLAG and LRAD projects benefited the most from CASP production input and training activities. From these results, the institutional issues discussed need to be mirrored against the composition of the sample and recommendations made would take this into consideration.

**Figure 6.2: Type of land transfer schemes by province**



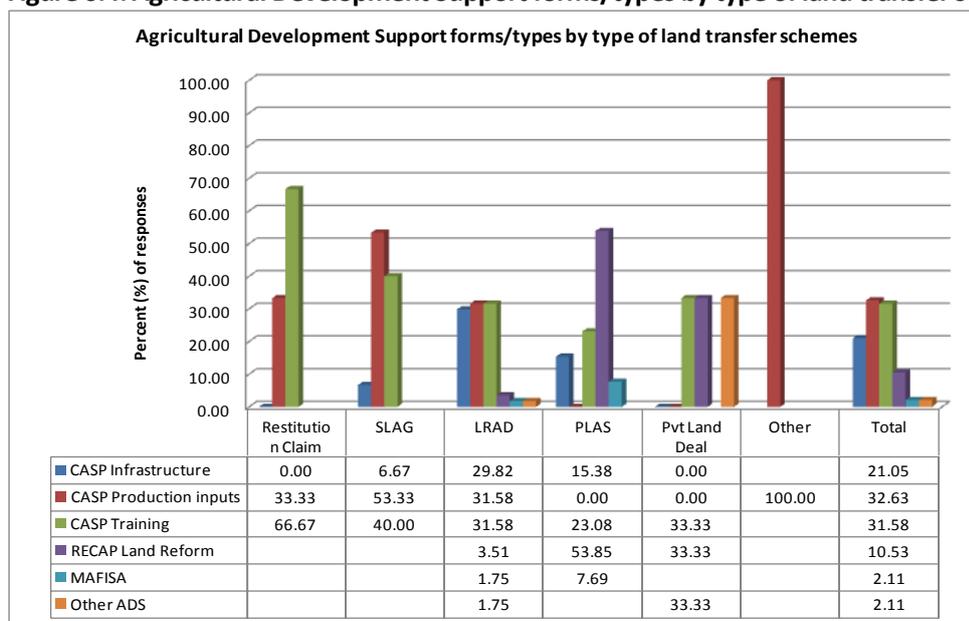
NB: Number of valid observations: Western Cape - 21; KwaZulu Natal - 30; North West -46; Total - 97

**Figure 6.3: Agricultural Development Support forms/types by province**



NB: Number of valid observations: Western Cape - 21; KwaZulu Natal - 30; North West - 46; Total - 97

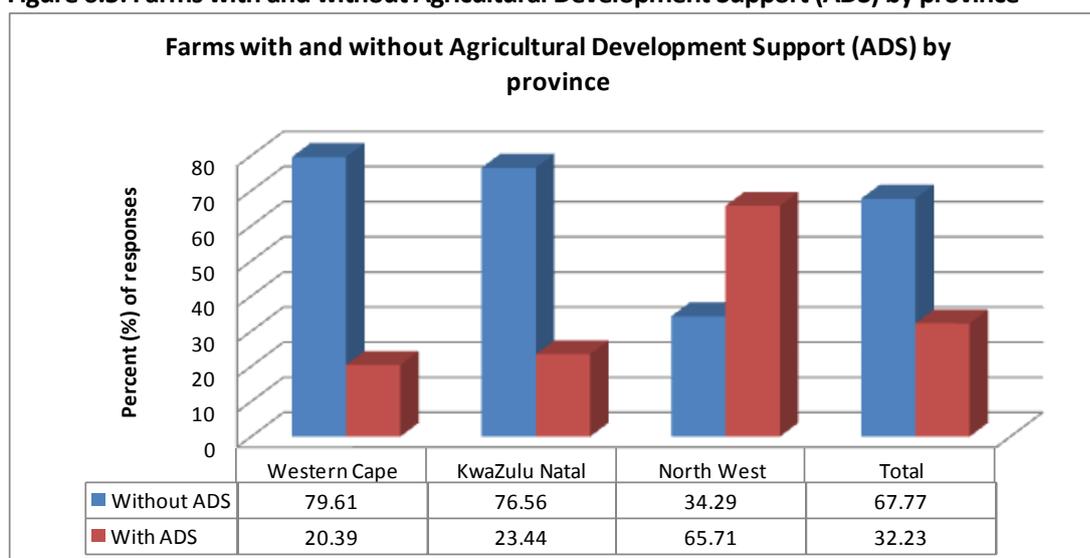
**Figure 6.4: Agricultural Development Support forms/types by type of land transfer schemes**



NB: Number of valid observations: Restitution claim = 3; SLAG = 15; LRAD = 57; PLAS = 13; Private = 3; Other = 4; Total = 95

Figure 6.5 below shows the summary of farming households in land reform project with and without agricultural support. The results show that only 32% of the farmers received agricultural support on their land reform project. The analyses below compares institutional issues between farming households who received agricultural development support compared to those who didn't receive any support.

**Figure 6.5: Farms with and without Agricultural Development Support (ADS) by province**



NB: Number of valid observations: Western Cape - 103; KwaZulu Natal - 128; North West –70; Total - 301

Findings from qualitative interviews with key informants (mainly government officials from national, provincial and district offices) showed that agrarian reform in South Africa has not performed to expectations. A number of institutional issues were raised both issues that have adversely impacted on government’s performance in delivering and having the desired impact in reducing poverty and improving livelihoods of the beneficiaries. Some of the negative aspects discussed include: lack of proper planning and coordination between government departments, particularly Land Affairs (no DRDLR) and Department of Agriculture; lack of clear institutional policy on beneficiary selection; lack of institutional capacity to implement agrarian reform programme etc.

*Lack of proper planning and coordination between government departments:* this was highlighted as one of the institutional issues that adversely affected performance and impact of government intervention in agrarian reform. Similar to earlier findings (e.g. Lahiff 2008), post-settlement support for agrarian reform programmes/ projects was reported to have suffered from general lack of coordination and communication between the key Departments of Agriculture and Land Affairs, and other institutions such as the Department of Housing, the Department of Water Affairs and Forestry and local government structures. Below is an extract from one of the key informant interviews on this issue:

*“The way the land reform and agricultural development has been handled shows lack of proper planning and coordination between government departments especially Land Affairs (now DRDLR) and Department of Agriculture. Even if land reform and agricultural development was under one minister, departments within the same ministry usually do not coordinate their activities and this is what has been happening with land reform and agricultural development. This is however, changing with the new DRDLR making efforts to ensure that the shortfalls of previous departments in this area are addressed – but it is still a long way to go” – One of the key informants on planning and coordination of agrarian reform among government departments, August 2012.*

The results showed that agrarian reform in the country suffered from lack of clear institutional roles and responsibilities of the various departments. This has led to duplication of roles and responsibilities in some cases and sometimes infighting between departments. This was also affected by the absence of the institutional framework and appropriate mechanisms for facilitating planning, implementation and resourcing of interdepartmental programmes.

Another key realisation on how government has performed in delivering on agrarian reform was that there were no clearly defined institutional mechanisms for project monitoring and evaluation. This was reported to also be a result of lack of capacity within government. However, the key informants flagged out the new Monitoring and Evaluation unit in the Presidency as a positive institutional arrangement not only for agrarian reform programmes but for all government interventions. This together with the outcome – based approach to government delivery are expected to also translate into positive spinoff on the way agrarian reform is implemented, monitored and evaluated in the country.

*“In the beginning land reform was more politically driven and there was no emphasis on ensuring that the process will address poverty – it’s only now that the processes are embracing outcomes of the processes in planning and implementation of agrarian reform programmes” – One of the key informants on institutional arrangements for monitoring and evaluating agrarian reforms, August 2012.*

*Lack of clear institutional policy on beneficiary selection:* this was reported to have affected performance of the agrarian reform programme, particularly related to contributing to poverty reduction and improving livelihoods of the poor. As a result of the absence of clear beneficiary selection and targeting, a lot of land that was allocated ended up being unproductive and contributed to a number of failures of agrarian reform projects. Grouping of farmers on land acquisition was reported to be the main problem - not all of the group members who benefited from land reform were interested in agriculture. People were reported to form groups to raise grants and not for agricultural purposes and some of these were not committed to productively utilize the land.

*“From a political perspective people who couldn’t and didn’t own land before, now own land but a lot of this land has not been used productively by the beneficiaries. From an economic perspective, the process of land reform and agricultural development has not achieved much and didn’t contribute to reducing poverty and empowering the beneficiaries. The main challenge was the ‘rent a crowd’ system – people rented crowds to qualify for grants – most of these people were not farmers and this meant that a lot of the land they gained would either remain unproductive or used for other purposes such as subdivision for housing and other uses.” – One of the key informants on beneficiary selection, August 2012.*

*Lack of institutional capacity to implement agrarian reform programme:* lack of qualified personnel to implement agrarian reform was reported to be a major challenge for the agrarian reform at all levels of government. This included qualified personnel for planning, implementation and

monitoring and evaluation of achievements. Government departments, particularly units dealing with agrarian reform programmes were reported to be short-staffed and this impacted on their delivery.

On the positive side, some of the key informants flagged out positive changes associated with the recent RECAP and the Comprehensive Rural Development Programme. These two were indicated to have institutional arrangements that address some of the shortfalls of previous government interventions in agrarian reform. However, these programmes are fairly new and much still need to be done and they also face their own institutional challenges that need to be addressed to enhance performance and impact of the agrarian reform programme in South Africa.

### ***Project level institutional arrangements and dynamics***

The review of institutional issues at the project level highlighted some of the factors that affected performance of agrarian reform projects to include: lack of democracy and group conflicts; administrative challenges of the CPAs and trusts, lack of institutional access to productive resources, technical capacity and agricultural support structures; tenure security etc. Some of these issues are discussed below using data from the study sites and key informant interviews. Table 6.1 below presents comparative analyses results of some of these institutional factors between farm households with and without agricultural development support (ADS). Pearson Chi-square test statistic was used to test if there were any significant differences between farm households with and without agricultural support. These factors are discussed below.

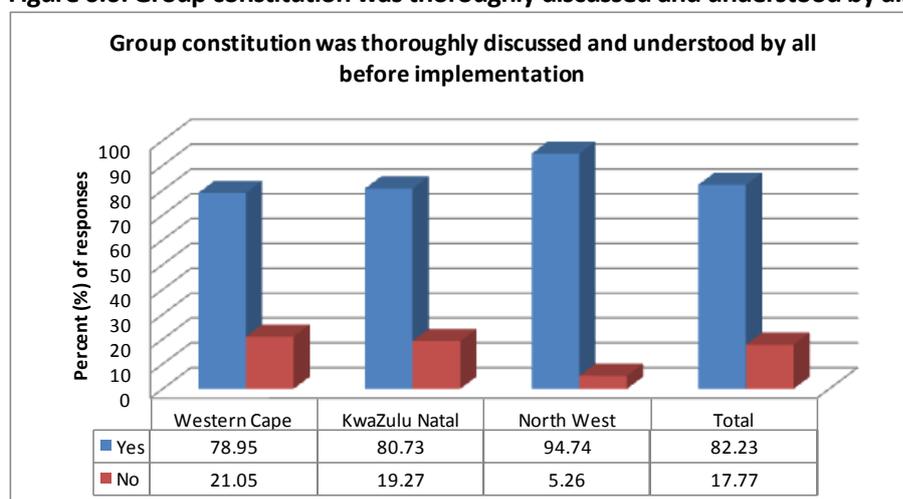
**Table 6.1: Comparative analyses of project level institutional arrangements and dynamics – with and without agricultural development support**

Variable	Unit	Without ADS	With ADS	$\chi^2$ statistic	N
<b>Functioning of this group-based land reform project</b>					
Household saves in project leadership committee	% Group	63.73	73.08	2.17	271
Household attends all/ most land reform project meetings	% Group	76.96	92.31	8.62***	269
Group's constitution was thoroughly discussed and understood by all before implementation	% Group	77.78	92.96	7.91***	242
All project participants voted in favour of project's constitution	% Group	81.98	91.78	3.84*	245
Leadership committee is always elected in a properly constituted meeting	% Group	86.81	89.19	0.27	256
Meetings take place on dates defined in the constitution	% Group	69.89	87.84	9.00***	250
Group decisions take place according to rules defined in the constitution	% Group	75.86	88.89	5.34**	246
Group has never experienced internal conflict about the land reform project	% Group	35.33	38.16	0.19	260
Group has always resolved internal conflicts about the land reform project	% Group	71.43	78.67	1.43	257
<b>Subdivision of land reform farm land (n =297)</b>					
No subdivision	% Group	86.70	65.96	17.36***	238
Formal subdivision	% Group	9.85	31.91	22.34***	50
Informal subdivision	% Group	3.45	2.13	0.38	9
<b>Farm tenure status (n = 276)</b>					
Individual/ private title	% Group	8.15	22.83	11.64***	36
Community Property Association (CPA)	% Group	34.24	23.91	3.07*	85
Trust	% Group	52.72	36.96	6.11**	131
Use right and leasehold (PLAS)	% Group	4.89	16.30	10.06***	24
<b>Farmer engagement in productive agricultural activities</b>					
Household actively engaged in agriculture in the past season	% Group	61.58	83.82	11.29***	258

*Lack of democracy in both procedural matters and access to benefits:* Figures 6 -8 present different aspects of constitutional arrangements: constitution development and implementation, leadership selection and decision making. About 66% of the respondents reported that their constitutions were thoroughly discussed and understood by all members before implementation; however, only 51% in North West reported that this was the case. Seventy-four percent reported that leadership committee is always elected in a properly constituted meeting. Also about 65% reported that group decisions were reported to take place according to rules defined in the constitution. The results show that democratic processes are generally followed in constitution development and implementation; leadership selection and general decision making. However, review of secondary studies showed that in many instances these processes do not follow democratic processes (CSIR 2005; Everingham & Jannecke 2006; Maisela 2007; Lahiff 2007; Manenzhe 2007) contributing to hindering performance of the agrarian reform projects.

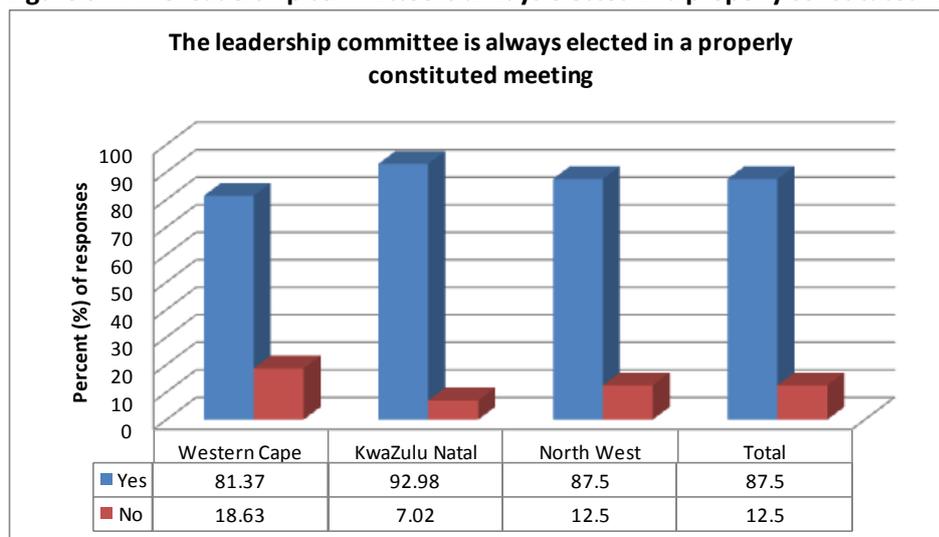
Table 6.1 results on functioning of this group-based land reform project shows that attending land reform project meetings; constitution development and implementation; adhering to constitutional rules and set regulations and decision making were statistically different between farms with and those without ADS. Generally, farms with access to ADS are expected to follow democratic principles in their decision making and getting ADS may also reflect institutional arrangements of the groups. Those who are more organised have higher chances of getting ADS compared to those with no organised institutional structures.

**Figure 6.6: Group constitution was thoroughly discussed and understood by all before implementation**



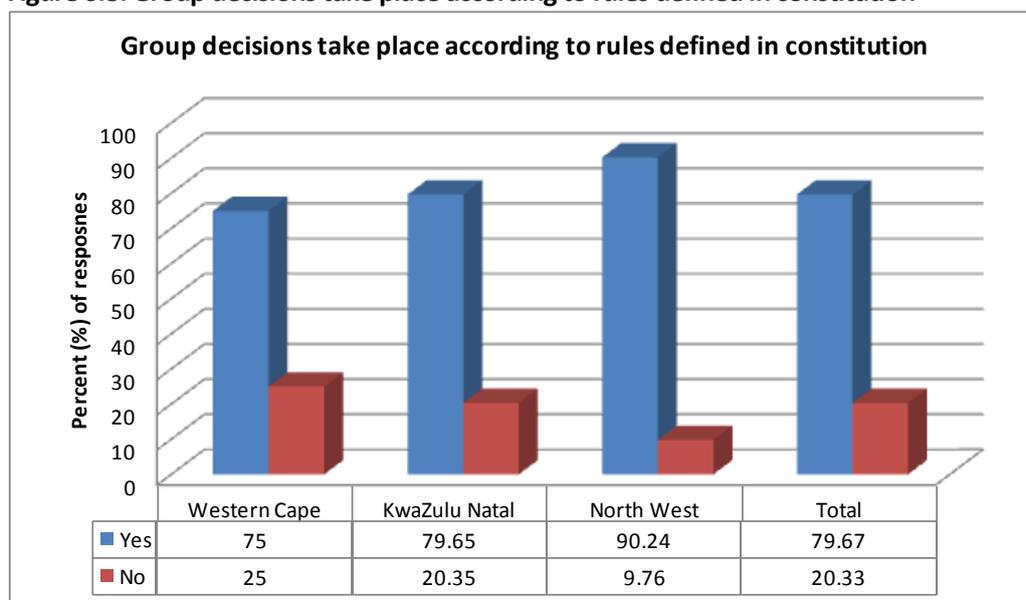
NB: Number of valid observations: Western Cape - 95; KwaZulu Natal - 109; North West - 38; Total - 242

Figure 6.7: The leadership committee is always elected in a properly constituted meeting



NB: Number of valid observations: Western Cape - 102; KwaZulu Natal - 114; North West -40; Total - 256

Figure 6.8: Group decisions take place according to rules defined in constitution

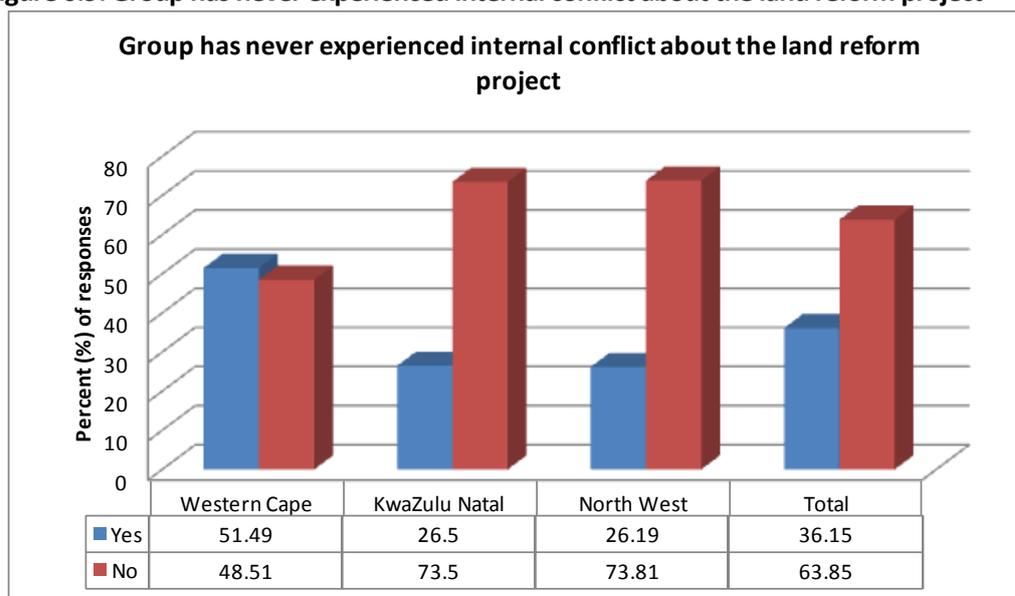


NB: Number of valid observations: Western Cape - 92; KwaZulu Natal - 113; North West -41; Total - 246

*Administrative challenges of the CPAs and trusts:* Contrary to the above findings, discussions with key informants indicated that the CPAs and trusts were faced with a number of administrative challenges that hindered productive use of land. Some of the issues reported include lack of technical capacity to productively run the land reform projects on the part of the CPAs. The situation was reported to be worsened by lack of resources especially among poor farmers leaving individuals to engage in subsistence agricultural activities to provide for their immediate needs. In some cases the commercial objectives of the land reform projects are completely abandoned and farmers engage in *ad hoc* land use decisions.

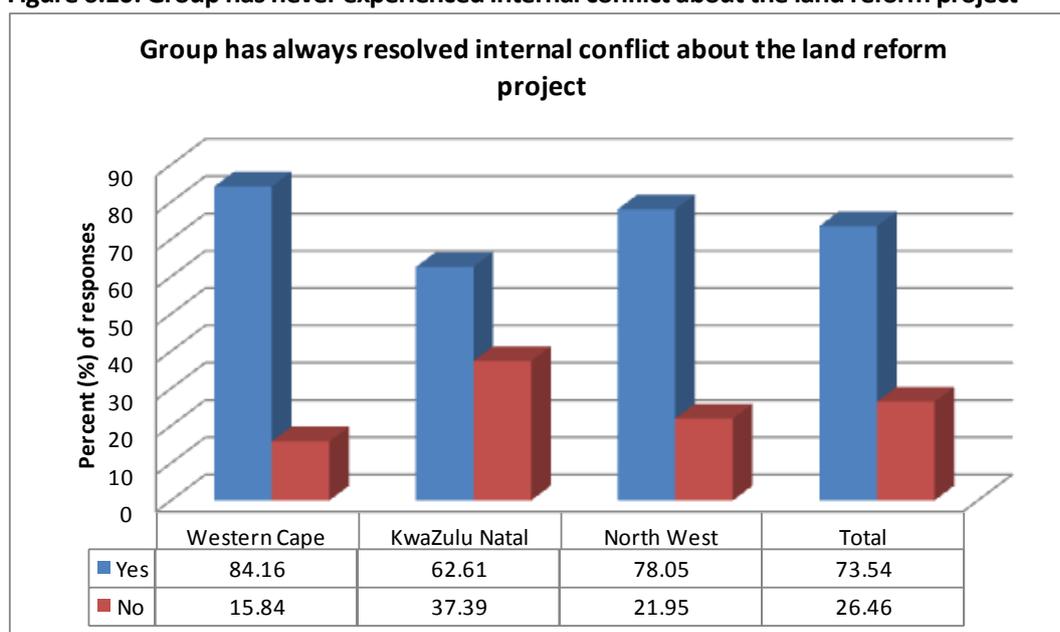
*Group conflicts and dynamics:* Figures 6.9 and 6.10 shows group experiences related to conflicts about their land reform projects. About 31% of the respondents indicated that they had never experienced internal conflicts about their land reform projects. It is evident from the results that conflicts and group dynamics are one of the key institutional issues at the project level. About 62% reported that they have always resolved conflicts about their land reform project and 23% reported that the issues are not always resolved. Government was reported to have failed to manage the conflicts among beneficiaries. Some of the problems experienced include misconduct by leadership, lack of consultation on key decisions and lack of cooperation between beneficiaries. These issues have been reported to have profound impacts on performance of the agrarian reform projects. For example, where there are conflicts, farmers cannot access credit if part of the group is against the planned activities. In addition, were decisions require group consensus before being implemented, it means that with conflicts decisions will be stalled. The implication is that, optimal agricultural timing periods might be missed such as planting dates in terms of crop production affecting the expected outputs. Generally, group dynamics and conflicts have adverse impacts on productive use of the land and overall performance of the project.

**Figure 6.9: Group has never experienced internal conflict about the land reform project**



NB: Number of valid observations: Western Cape - 101; KwaZulu Natal - 117; North West – 42; Total – 260

**Figure 6.10: Group has never experienced internal conflict about the land reform project**



NB: Number of valid observations: Western Cape - 103; KwaZulu Natal - 127; North West – 67; Total - 297

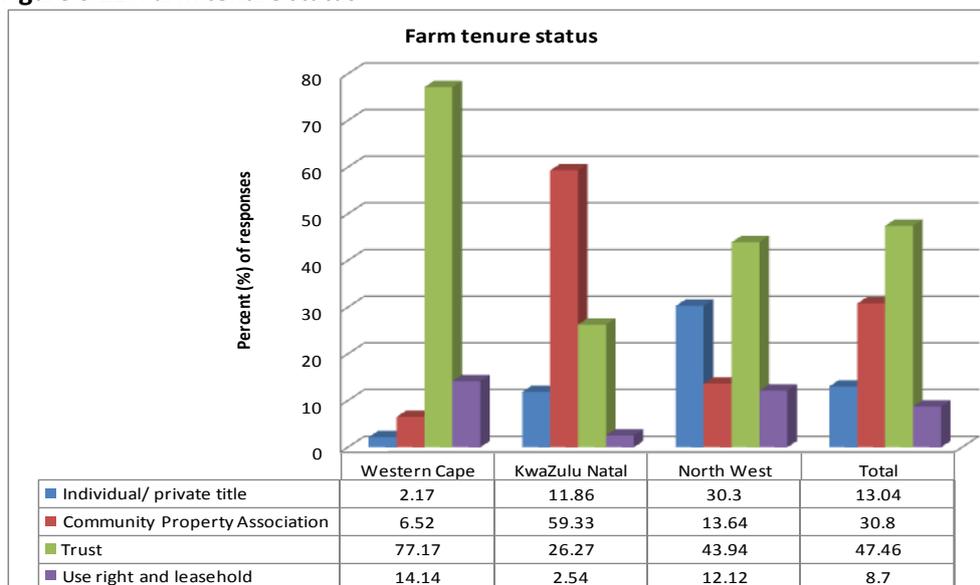
*Technical capacity and agricultural support structures:* In the past, extension workers were reported to stay in the villages with the farmers, and these days (particularly for the North West), they have moved to the towns and are not in regular contact with the farmers. Infrastructures like houses built for extension workers were reported to be deserted as some of them no longer stay in the communities with the farmers. Although, government has agricultural support programmes such as CASP, RECAP, results indicated that these are not enough and a lot still needs to be done for poor farmers to get access to productive resources. A remarkable institutional issue reported was the timing of disbursement of resources for farmers to timely plan and engage in production activities. District level key informants reported that sometimes due to the differences in the financial years between national government and the district there are issues of late disbursements of funds and other resources. This usually means that farmers fail to plant if they rely mainly on government support.

*Tenure security:* Figure 6.11 below shows the farm tenure status of the sampled land reform projects. More than 75% of the farms were run with Trusts and Community Property Associations. All the tenure status variables were statistically significant (Table 6.1) implying that farms ADS and those without even with the same tenure status operate differently. From these results, those with ADS seem to have more secure tenure status that also influences the various activities they do. For example, as indicated earlier getting ADS may mean that these farms have more organised and secure tenure status compared to those without.

On the other hand, interviews with key informants showed that there are also a number of farms with issues which are unresolved and some have been dragging on for some time making it difficult for the government to provide any assistance to those affected farmers. Key informant interviews showed that government still faces a number of unresolved tenure issues on land reform projects.

One of the reasons highlighted was lack of capacity to address the backlogs on these issues. Without secure tenure, use of agricultural land is usually characterised by *ad-hoc* management decisions and practices that are driven by short term decisions meant to address immediate livelihood needs. Such *ad hoc* decisions and practices, pose a threat to performance and sustainability of agricultural land use.

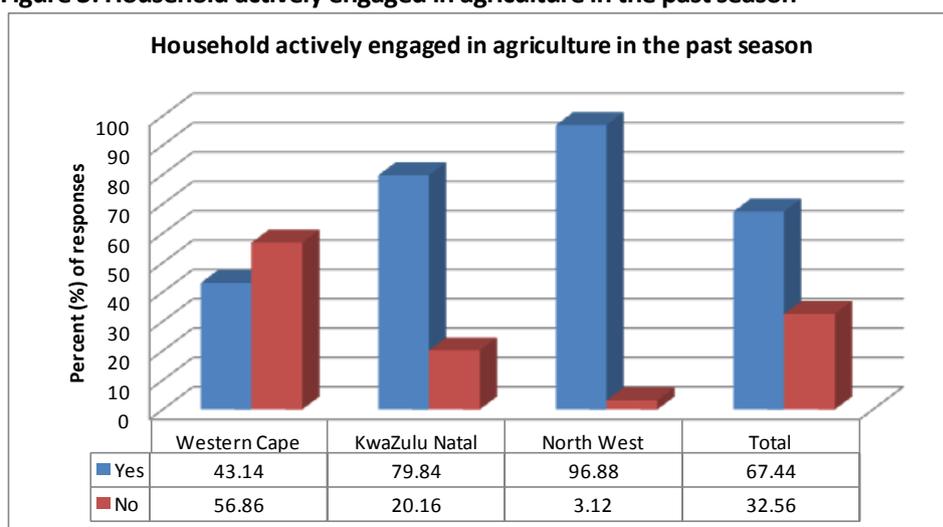
**Figure 6.11: Farm tenure status**



NB: Number of valid observations: Western Cape - 92; KwaZulu Natal - 118; North West – 66; Total - 276

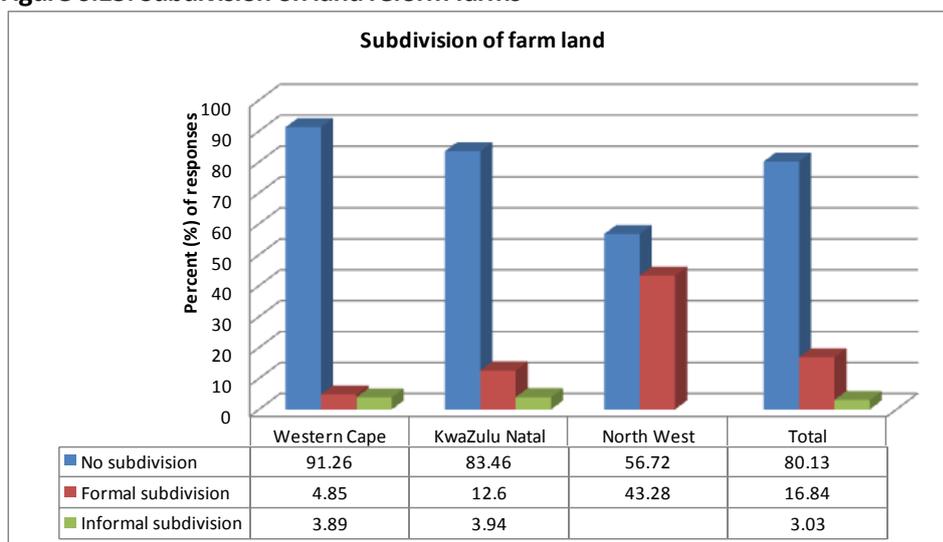
*Farm subdivision and engagement in productive agricultural activities:* We considered whether farm household was engaged in productive agricultural activities in the past season (Figure 31) and subdivision of land reform farms (Figure 6.13) to reflect on institutional issues of the farms. Table 6.1 shows that as expected farms with ADS are more likely to engage in more productive activities compared to those who didn't receive ADS. This finding emphasises the importance of access to agricultural resources for land reform farms to be productively utilised. Key informant interviews reiterated the challenges land reform beneficiaries face in terms of getting access to resources and this has left many farms being unproductive. Furthermore, Table 6.1 shows that farms with ADS are more likely to follow formalised subdivision of farms compared to those with no ADS. However, informal subdivision of land was insignificant between the two groups despite qualitative interviews reporting this to be a problem especially with farms which are not being productively utilised.

**Figure 3: Household actively engaged in agriculture in the past season**



NB: Number of valid observations: Western Cape - 102; KwaZulu Natal - 124; North West – 32; Total – 258

**Figure 6.13: Subdivision on land reform farms**



NB: Number of valid observations: Western Cape - 103; KwaZulu Natal - 127; North West – 67; Total - 297

*Access to farmer training and extension services:* Tables 6.2 and 6.3 below present descriptive statistics of access to farmer training and extension services. Table 6.2 presents analysis by province and Table 6.3 shows comparative analysis for the farmers with ADS and those without. The chi-square test was used to test for any significant differences between farmers with ADS and those without for each variable. Results from Table 2 shows that government agency is the main source of farmer training and extension both for crop and livestock production. Information and Communication Technologies (in terms of radio and television access) are important sources of farmers training and extension apart from formal services provided by government. Chi-square analysis shows no significant differences between farmers with ADS and those without regarding access to farmer training and extension in crop production both from government agencies and agricultural research institutions. However, livestock production shows a different story, there is a significant difference between farmers who access training and extension from government

agencies. From the results, farmers with ADS tend to get farmer training and extension from government agencies while those without ADS received get most of their training and extension from agricultural research institutions. An *a priori expectation* would be that farmers with access to ADS would receive farmer training and extension from both government agencies and agricultural research institution. From these results, there are many other institutional dynamics which need to be unpacked to help understand such contrasting results. Unfortunately, this study did not focus more on that and recommends further analysis to unpack these issues.

In terms of other sources of farmer training and extension, the results show no significant differences for radio and television between farmers with ADS and those without. Neighbouring farmers, however, show a significant difference between farmers with ADS and those without. From the results and qualitative interviews neighbouring farmer to farmer training and extension is another important source of access to agricultural information and training. Probably this is because for these land reform projects farmers work in groups and their sharing is expected to be relatively high especially for those with access to ADS (particularly when it is accessed as group support).

**Table 6.2: Analysis of access to farmer training and extension by province**

Variable	Western Cape	KwaZulu-Natal	North West	Total for all provinces	N
<b>From which organisation extension officials who visit/contact you come from for crop production (n=51)</b>					
Government agency	72.73	94.74	100.00	92.16	47
Agricultural research institution		5.26			1
Other	27.27				3
<b>From which organisation extension officials who visit/contact you come from for livestock production (n=59)</b>					
Government agency	100.00	50.00	100.00	94.92	56
Agricultural research institution		50.00			3
<b>If you get any technical assistance and advice from other sources apart from official extension workers, from where do you receive the necessary information? (n=239)</b>					
Television	7.87	2.15	7.02	5.44	13
Radio	4.49	69.89	3.51	29.71	71
Neighbouring farmer	30.34	10.75	47.37	26.78	64
Shopkeepers in village		2.15		0.84	2
None	20.22	15.05	7.02	15.06	36
Other	37.08		35.09	22.18	53

**Table 6.3: Analysis of access to farmer training and extension by access to ADS**

Variable	Unit	Without ADS	With ADS	$\chi^2$ statistic	N
<b>From which organisation extension officials who visit/contact you come from for crop production (n=51)</b>					
Government agency	% Group	87.50	96.30	1.36	47
Agricultural research institution	% Group		3.70	0.91	1
Other	% Group	12.50		3.59*	3
<b>From which organisation extension officials who visit/contact you come from for livestock production (n=59)</b>					
Government agency	% Group	82.35	100.00	7.81***	56
Agricultural research institution	% Group	17.65		7.81***	3
<b>If you get any technical assistance and advice from other sources apart from official extension workers, from where do you receive the necessary information? (n=239)</b>					
Television	% Group	3.92	8.14	1.90	13
Radio	% Group	32.68	24.42	1.80	71
Neighbouring farmer	% Group	22.88	33.72	3.30*	64
Shopkeepers in village	% Group	0.65	1.16	0.17	2
None	% Group	19.61	6.95	6.87***	36
Other	% Group	20.26	25.58	0.90	53

*Institutional arrangements and support for agricultural production and marketing:* Tables 6.4 and 6.5 show comparative analysis by province and ADS on institutional arrangements and support for agricultural production activities and marketing. Also, the chi-square test was used to test for any significant differences between farmers with ADS and those without for each variable. The Department of Agriculture, Forestry and Fisheries, DRDLR and former commercial farm owner were reported as major sources of support for access to ADS, support to improve agricultural production and farmland use and access to agricultural output markets (Table 6.4). Chi-square analysis also show that there are significant differences between farmers with ADS and those without. As expected those with ADS tend to get more support from DAFF and DRDLR for agricultural production activities and marketing. An important results from Table 6.5 is that local government is not a significant variable in explaining differences between farmers with ADS and those without. This findings might be explained by lack of coordinated support provided by national departments and local government structures. Despite both DAFF and DRDLR having significant influences in terms of support for farmers with and without ADS, local structures appear to have little engagements with support from national departments. Qualitative results from key informants also highlighted some of these issues and the need for more coordinated support throughout all tiers of government.

However, farmers without ADS tend to get more support from former commercial farm owners. This result might imply that for these farmers, there are institutional arrangements that were made with former commercial farm owners. This provides an important source of farmer training and support and can help newly resettled farmers with access to other institutional arrangements that the

former farmers used to have. In this case, there are high chances of sustained agricultural production if the new farmers successfully integrates into institutional arrangements used by the former commercial farm owners. Although there are dynamics associated with such arrangements, it is important to unpack the opportunities that can be exploited to help newly resettled farmers sustain and improve their agricultural production activities.

**Table 6.4: Institutional arrangements and support for agricultural production and marketing by province**

Variable	Western Cape	KwaZulu-Natal	North West	Total for the three provinces	N
<b>To apply for government-funded agricultural development support, this respondent/household received assistance from the following actor/stakeholder</b>					
Former commercial farm owner of this land	31.75	2.02	2.04	10.90	211
Government appointed commercial farmer (through mentorship)	26.98	4.08	4.08	10.95	210
Department of rural development and land reform (DRDLR- land reform offices)	46.67	19.05	30.61	29.44	214
Department of agriculture (DAFF - local official)	58.18	20.79	65.31	41.46	205
Local government (municipality)	6.67	3.03		3.37	208
Farmers associations	6.45	4.04	2.04	4.29	210
Non-governmental organization	3.23	1.00		1.47	211
<b>To improve agricultural production and farmland use, this respondent/household received assistance from the following actor/stakeholder</b>					
Former commercial farm owner of this land	53.25	2.88	1.75	18.91	238
Government appointed commercial farmer (through mentorship)	40.79	4.90	1.75	15.74	235
Department of rural development and land reform (DRDLR- land reform offices)	13.04	14.71	12.28	13.60	228
Department of agriculture (DAFF - local official)	37.14	18.10	70.18	36.64	232
Local government (municipality)	2.82	3.88		2.60	231
Farmers associations	2.86	2.88		2.16	231
Non-governmental organization	4.29	3.85		3.03	231
<b>For access to agricultural output markets for your farm output, this respondent/household received assistance from the following actor/stakeholder</b>					

Former commercial farm owner of this land	51.25	3.88		18.37	245
Government appointed commercial farmer (through mentorship)	34.62	2.94	1.61	12.81	242
Department of rural development and land reform (DRDLR- land reform offices)	5.63	7.84	4.84	6.38	235
Department of agriculture (DAFF - local official)	5.71	7.69	24.19	11.44	236
Local government (municipality)	1.35	2.91		1.67	239
Farmers associations	2.78	3.92	1.61	2.97	236
Non-governmental organization	5.48	2.88		2.93	239

**Table 6.5: Institutional arrangements and support for agricultural production and marketing by ADS**

Variable	Unit	Without ADS	With ADS	$\chi^2$ statistic	N
<b>To apply for government-funded agricultural development support, this respondent/household received assistance from the following actor/stakeholder</b>					
Former commercial farm owner of this land	% Group	14.63	5.68	4.23**	211
Government appointed commercial farmer (through mentorship)	% Group	12.40	8.99	0.61	210
Department of rural development and land reform (DRDLR- land reform offices)	% Group	20.97	41.11	10.18***	214
Department of agriculture (DAFF - local official)	% Group	27.12	60.92	23.57***	205
Local government (municipality)	% Group	4.96	1.15	2.26	208
Farmers associations	% Group	4.10	4.55	0.02	210
Non-governmental organization	% Group	1.63	1.14	0.01	211
<b>To improve agricultural production and farmland use, this respondent/household received assistance from the following actor/stakeholder</b>					
Former commercial farm owner of this land	% Group	26.53	6.59	14.57***	238
Government appointed commercial farmer (through mentorship)	% Group	17.36	13.19	0.73	235
Department of rural development and land reform (DRDLR- land reform offices)	% Group	6.47	24.72	15.37***	228

Department of agriculture (DAFF - local official)	% Group	21.38	60.44	36.53***	232
Local government (municipality)	% Group	2.84	2.22	0.08	231
Farmers associations	% Group	2.84	1.11	0.77	231
Non-governmental organization	% Group	2.14	4.40	0.95	231
<b>For access to agricultural output markets for your farm output, this respondent/household received assistance from the following actor/stakeholder</b>					
Former commercial farm owner of this land	% Group	25.32	5.75	14.33***	245
Government appointed commercial farmer (through mentorship)	% Group	15.48	8.05	2.76*	242
Department of rural development and land reform (DRDLR- land reform offices)	% Group	4.05	10.34	3.63*	235
Department of agriculture (DAFF - local official)	% Group	7.38	18.39	6.57***	236
Local government (municipality)	% Group	2.63		2.33	239
Farmers associations	% Group	2.68	3.45	0.11	236
Non-governmental organization	% Group	2.65	3.41	0.11	239

## Conclusions and recommendations

This chapter discussed some of the institutional issues of the agrarian reform programme in South Africa. The institutional issues are discussed at three different levels: national, project/household and civil society. The chapter was based on review of secondary documents and interrogation of the institutional arrangements and dynamics using primary data collected in three case study provinces of North West, Western Cape and KwaZulu Natal. Descriptive statistics and Chi-square tests were used for the analyses.

The results show that agrarian reform is still faced with a number of institutional issues that need to be addressed to ensure that the whole process contribute to achieving reductions in poverty and improving livelihoods of beneficiaries. For example, although there is a general trend at the national level to engage various government departments in agrarian reform programmes such as with the CRDP, results show that more needs to be done for this to be more effective. At the project level, institutional dynamics have been found to contribute to dysfunctional and unproductive land reform projects. Results show that farms with ADS seems to be more organised institutionally as evidenced by them being able to access ADS, productively utilised their farms and follow formalised subdivision of farms among other factors.

Farmers with ADS as expected tend to get more support from DAFF and DRDLR, however local government structures seem to be insignificant in providing support to farmers. This implies the

need for more coordinated efforts from all tiers of government both between and within departments and local structures. For farmers without ADS, former commercial farm owners tend to be an important source of support (training and information and access to markets). This implies that, successful institutional arrangements can be forged with former commercial farmers to help support newly resettled farmers and integrate them into the former owners' institutional arrangements especially around access to markets and improved agricultural production.

Generally, institutional arrangements and dynamics have a significant bearing on the running and productive use of agrarian reform projects. Policy reforms that aim to improve institutional arrangements and dynamics at various levels (national, project/household and civil society) would have significant positive impacts in getting land reform beneficiaries productively use the land. This would have further wider benefits to the communities and the economy at large.

## **CHAPTER 7: CONCLUSION- IMPLICATIONS FOR POLICY**

By the late 1990s progress in land redistribution was extremely slow and way below the proposed target. Also the viability of many of the redistribution projects was questioned. Most redistribution projects involved groups of applicants rather than individuals. Subdivision was not encouraged and often beneficiaries were unaware of the possibility of this being undertaken formally.

Our results have shown that most respondent households were helped by government officials to identify the transferred farmland. More than half (55%) of all the respondent households received land via the LRAD distribution sub-programme. Slightly more than a quarter (27%) of the respondents had received land by means of the SLAG redistribution sub-programme. Despite its relative newness, both the Western Cape and the North West provided more respondent households with access to land through PLAS than is the case in KwaZulu Natal. The general slow pace of rural restitution can account for the relatively low proportion of restitution in contrast to other land transfer mechanisms. Overall, slightly more than half (54%) of the respondent households indicated that men were more likely to own land distributed through the land reform process. Just less than a third of respondent households indicated that the land reform land was jointly owned by males and females in the households.

On average 80% of beneficiary respondent households did not undergo formal subdivision and informal subdivision was on average minimal. Of the 17% of households that partook in formal subdivision, 9 percent of those not receiving ADS did so in contrast to the 32% of those receiving ADS. A greater proportion of households that received ADS were likely to be formally subdivided than those that did not. The evidence suggests that a land reform strategy would need a least a two-pronged approach; in its simplest form. Here we suggest that the continued calls for subdivision of land be heeded and that such subdivided properties be settled so that new settlers can use the land for household and small-scale production. The size of such parcels of land would depend on the farming system intended by the new settlers. They should be allowed to use this land how they please to a certain extent. It is an asset which they could farm productively on a small-scale, farm for household needs, hire to others, or use for another type of activity, e.g. mechanical workshop, storage facility, input retailer, etc.

Secondly, only large-scale farms that are actually productive should receive any further support, if necessary, and only once-off. Continued state-investment in private farms is simply propping up unproductive units and using resources that could benefit other land reform beneficiaries who have greater needs. Ending this continued 'propping up' activity will allow collapsing farms to re-enter the market.

Household expenditure gives a meaningful indication of the resources at the disposal of the household and is a more reliable proxy for money-metric poverty analyses than income which is generally underreported in rural areas. The survey instrument captured several spending categories: "regular" household goods (food, clothing, energy etc.), services (health care, transport, etc.) as well as non-durable household goods such as furniture and construction or equipment. The expenditure

patterns emerging reflect a well-known phenomenon of poor households spending more of their total income or expenditure on food than richer households. In terms of the share of food spending against overall household spending the average food spend was 56.86% for WC, 55.61% for KwaZulu-Natal and 62,45% for North West. In contrast, the richest 20% of beneficiary households share of spending on food against the household budget was between 30- 33% in the three provinces- without any significant differences across provinces. The highly differentiated spending pattern observed suggests that asset ownership, especially livestock, is a core livelihood source driving food and non-durable expenditure disparities.

On average those beneficiaries with agricultural development support have expressed positive perceptions of the impact of the programme on their income and on reducing poverty. Just over a quarter of the beneficiaries indicated their perception that the situation had worsened arising from participation in the program. Overall, the findings reveal that land and agrarian reform interventions have not been largely redistributive or contributed significantly to reducing poverty and inequality and to transforming the livelihoods of land reform beneficiaries, particularly those in the Western Cape and KwaZulu-Natal.

Roughly 41.6% of all sampled farm households- a headcount of 119- said that they have benefited from some form of programmed agricultural support. The Comprehensive Agricultural Support Programme (CASP) is clearly the main channel through which state-funded support is distributed to farm households who have obtained farmland through land reform. Overall, 85% of agricultural development support recipients reportedly received support through CASP compared to 10% who have benefited from the recently launched Land Reform Recapitalisation and Development [RECAP] Programme. Access to CASP-training support, ranked as the leading type of support service, is unevenly spread by province: about 54% for Western Cape, 37% for KwaZulu-Natal and less than 7% in North West. On-farm infrastructural support, with an average share of 28% beneficiary farmers, is more readily available to North West farmers than their counterparts in other provinces.

Results further highlighted that the average farmer receiving agricultural assistance from government might be slightly ahead of non-recipients in terms of selling farm outputs. A sizeable majority of farmers (well above 60%) are active in crop and livestock agriculture. However, farmers getting state-assistance are more actively engaged in agriculture (73%) than their counterparts without programmed farmer support (64%). What is of concern is that more than 25% of assisted farmers do not actively farm (less than 36% of inactive non-supported farmers). Reasons for not actively farming on transferred land require further investigation for more plausible and accurate explanations of group disparities.

Democratic processes are generally followed in constitution development and implementation; leadership selection and general decision making. About 66% of the respondents reported that their constitutions were thoroughly discussed and understood by all members before implementation. Seventy-four percent reported that leadership committee is always elected in a properly constituted meeting. Also about 65% reported that group decisions were reported to take place according to rules defined in the constitution.

More than 75% of the farms were run with Trusts and Community Property Associations. Key informants explained that the CPAs and trusts were faced with a number of administrative challenges that hindered productive use of land. Some of the issues reported include lack of technical capacity to productively run the land reform projects on the part of the CPAs.

Conflicts and group dynamics are one of the key institutional issues at the project level. About 31% of the respondents indicated that they had never experienced internal conflicts about their land reform projects. About 62% reported that they have always resolved conflicts about their land reform project and 23% reported that the issues are not always resolved. Government was reported to have failed to manage the conflicts among beneficiaries.

A remarkable institutional issue reported was the timing of disbursement of resources for farmers to timely plan and engage in production activities. District level key informants reported that sometimes due to the differences in the financial years between national government and the district there are issues of late disbursements of funds and other resources.

In summary, this study was designed to offer a snapshot of the livelihoods impacts of post-apartheid agrarian interventions. The scope of this investigation has been restricted to the channels through which government-driven land transfers and agricultural support improve living standards. Four main factors dictated this *a priori* limitation: the client's terms of reference (TOR), resource constraints, tight timeframes and poor quality administrative data on agrarian reform. Moreover, it is impossible to ignore or belittle the contributions of private sector and civil society ('grassroots') driven land transfer and agricultural support initiatives. Even though these non-governmental cases of 'agrarian reform' were not included in the initial sampling frame, it was discovered that some farm households included in this sample have received types of support from non-governmental actors. Instead of precluding a more comprehensive study, we strongly favour this much-needed research. An investigation based on a broadly representative sample, including community-led agrarian reforms, is a knowledge-gap for future studies to fill. This implies that the findings, conclusions and recommendations of this study must be interpreted with caution and not be taken out of context.

Despite its constricted scope, the evidence underscores two overarching findings with major implications for the future of government's agrarian reform project. Firstly, this study found a strong positive correlation between post-apartheid agrarian interventions and increasing polarisation among land reform beneficiaries across six rural districts. A smaller number of individual black farmers gain ownership of land and enjoy access to government financed support for on-farm production and participation in agricultural value chains beyond the farm gate. Secondly, the voices and decision making powers of 'land reform beneficiaries' rarely feature in either the development or implementation of agrarian policies. There is no evidence of bottom-up direct participation and broad-based empowerment usually expressed in policy statements.

The farm-household questionnaire has been designed as the main tool to collect primary data from six district municipalities and to quantify the poverty or livelihoods impacts of agrarian reforms through several pathways as described in the conceptual section of the introduction. To allow for district level comparative analysis, with robust small-sample statistical properties the lower-bound of targeted sample was fixed at 75 farm households (100 upper-bound). The realised sample included 301 land reform farm households, with highly uneven response rates across the six districts. Out of 286 valid observations, 119 households self-reported that they have received agricultural development support- which represents 41.61% of the valid sample. However, the relatively high shares of this category of farmers sampled North West (above 60%), is undoubtedly compensating for the KwaZulu-Natal shares which were in the order of 20%.

A number of obstacles beyond the control of the research team dictated the final sample and this inevitably influenced our findings. Firstly, poor quality administrative data collected and stored with the national and decentralised Monitoring and Evaluation units of the respective departments. Secondly, the restructuring of departments and reallocation of local administrative project oversight made the identification of farming projects practically impossible in some instances. Official data on state-aided farmland transfers and agricultural support are not easily accessible for research purposes.

During the course of this study access to monitoring and evaluation data held by the DRDLR proved difficult to access and was not forthcoming. Even the lists of various land reform projects (restitution and redistribution) held by the national department proved problematic and the accuracy had to be verified by officials working in the respective districts. The lack of official certainty regarding a few projects meant that the random sample was only drawn from those confirmed by senior officials and project officers in the district DRDLR offices. South Africa does not regularly conduct a nationally representative agricultural or rural survey. The agricultural census, conducted every 3-5 years seeks to capture details on the economic status of commercial farming, but its high non-response rates undermine its reliability. Resource-poor smallholder farmers are automatically excluded from the Agricultural Census and it is therefore inadequate on its own to produce a holistic picture of the distribution of a complete range of farming scales and purposes.

In addition to the chapter specific recommendations, this summary of high-level insights leads to at least four recommendations for urgent policy intervention:

**Recommendation 1:** Promote equitable agrarian reforms that meet the needs of the rural poor  
Translating this laudable commitment in policy statements into genuine empowering practices, which can produce visible and meaningful improvements in the lives of people and communities, needs urgent intervention.

**Recommendation 2:** Directly involve resource-poor small farmers and landless farm workers in policy development and implementation  
Whilst indirect consultative processes are widespread across rural localities, equitable agrarian change requires more active and purposeful participation of those deemed to benefit from policies.

This recommendation is closely linked to our first recommendation and is critical to give practical effect to it.

**Recommendation 3:** Planned and tighter institutional interactions/coordination between the Departments of Land Reform (DRDLR) and Agriculture (DAFF).

The historical and existing lack of inter-departmental integration is a serious challenge even where departments such as DAFF and DRDLR are expected to collaborate in service provision.

**Recommendation 4:** Agrarian reform needs an integrated and sound M&E system supported by a regular nationally representative small farmer survey.

The usefulness of government's large-scale surveys for monitoring the impact of agrarian policies, the quality of administrative data and periodic purposeful assessments are questionable. Resources must be invested in cleaning and integrating the scattered and disjointed administrative database of agrarian reform. This is the first towards more frequent and robust evaluations based on complementary methods.

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