

# **Key Lessons Learned from Working with Six Land Reform Communities in the Northern Cape Province of South Africa**

## **History of FARM-Africa**

FARM-Africa was established as a Non-Governmental Organisation in Kenya in 1984 by Sir Michael Wood (the founder of the African Medical Research Foundation – AMREF), and David Campbell who was then OXFAM's East African director. FARM-Africa's mission is to reduce poverty by enabling marginal African farmers and herders to make sustainable improvements to their well being through more effective management of their natural resources. One key element of FARM-Africa's work is innovation.

FARM-Africa has its headquarters in London where it has a core staff of approximately 20 people. Currently, it operates in five African countries: Ethiopia, Kenya, Uganda, Tanzania and South Africa. FARM-Africa designs and implements its own development projects, and has extensive specialist expertise in the following areas: goat husbandry, participatory forest management, pastoral development, farmers participatory research, land reform, community based animal health delivery systems, micro-credit.

## **FARM-Africa in South Africa**

Three years before the first fully democratic elections were held in South Africa, FARM-Africa formed a partnership with the Land Development Unit (LDU) a local NGO that was working with a number of previously disadvantaged communities in the so-called Coloured Rural Reserves in the Western Cape.

During this time, the Legal Resources Centre (LRC), a South African NGO, approached FARM-Africa, and asked it to undertake a survey of the agricultural potential of a farm in the Northern Cape called Riemvasmaak. In the early 1990s, the LRC had been approached by a small group of Riemvasmakers who wanted to demonstrate in court that they had been illegally removed from their land in the mid-1970s. FARM-Africa's report along with other evidence was used to support this case.

In February 1994, the High Court found in favour of the Riemvasmakers, and allowed them to repossess their land. Shortly after this historic ruling, the community approached FARM-Africa, and asked it to help them in the process of developing their considerable natural resources (80,000 hectares in extent). After securing financial support, mainly from the British government, FARM-Africa provided a range of capacity building inputs, and after four years this support came to an end.

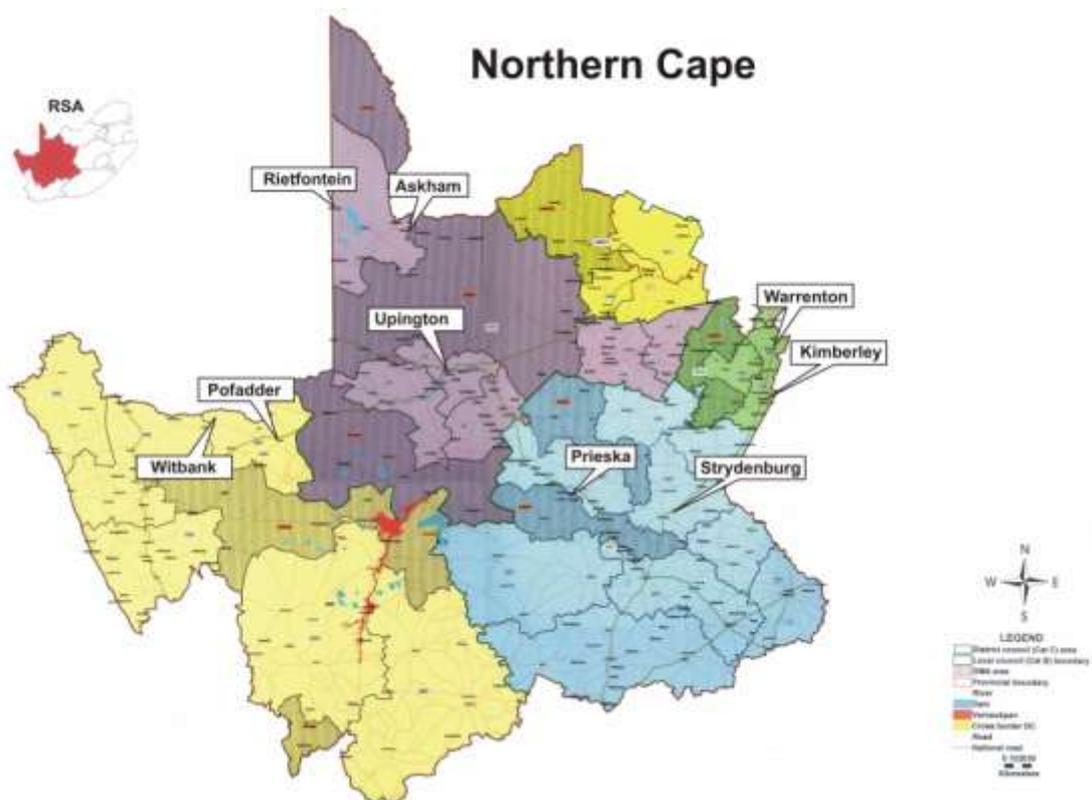
## **The Northern Cape Project**

During the period that FARM-Africa supported the Riemvasmaak community, the Northern Cape provincial government approached FARM-Africa and asked it to expand its work in the land reform sector. In 1998, FARM-Africa developed proposals in close collaboration with the Departments of

Agriculture and Land Affairs that aimed to develop the management capacity of 10 groups that had received land through the government's land reform programme. It was agreed that responsibilities for project implementation would be undertaken by both FARM-Africa and the Department of Agriculture with the latter providing key technical inputs to the land reform groups.

The project commenced in late 1999, and after consultation with the Departments of Land Affairs and Agriculture six land reform groups were identified in four of the five municipal districts of the province. The names of the six groups are as follows: Witbank, Pofadder, Prieska, Strydenberg, Warrenton and #Khomani San (the majority of group members are located in or near Askham and Rietfontein). Map 1 below shows the location of these sites in the province.

Map 1: FARM-Africa's Project Sites



The purpose of the project is to strengthen the capacity of land reform beneficiaries to manage their natural resources and this in turn is expected to lead to wealth accumulation and a reduction in poverty. To achieve these objectives, FARM-Africa has delivered a range of inputs not only to land reform beneficiaries but also to partner organisations such as the Departments of Agriculture and Housing and Local Government.

The project devoted considerable resources to developing the capacity of those individuals that have been democratically elected to management positions within their groups. It has also provided training in practical

agricultural skills to men and women so that they can use their land to grow crops and manage livestock.

Before much of the practical work commenced, FARM-Africa undertook a range of studies with each group. For example, studies were commissioned to assess the condition of the beneficiaries' farms. This covered issues such as the carrying capacity of the veld or range, the state of the infrastructure and the potential economic benefits of adopting different land use options.

Socio-economic studies that used participatory rural appraisal 'tools' were used to investigate differences in relative wealth amongst the beneficiary community as well as some of the key changes that had affected the group's livelihoods over the last five years. This work was undertaken with a small representative group of members at each site. These studies explored issues such as: those factors that are affected by the seasons, the history of the group; the sources of household income; the factors that constitute a secure livelihood; the main shocks that affect households; highlighting those institutions and organisations that affect the ability of households to maintain and develop their livelihoods; and exploring the different agricultural activities that households engage in.

Another piece of research undertaken by the project was a short questionnaire that investigated, for example, what knowledge land reform beneficiaries had about their land, how many of them had been involved in farm activities, what factors constrained them from becoming involved.

### **The Northern Cape Province**

While the Northern Cape is South Africa's largest province in terms of surface area, it has the smallest population (approximately 840,000 people). Because the majority of the province receives very low levels of rainfall, it is only suitable for extensive livestock production. Where farmers are able to gain access to irrigation water, it is possible to grow a wide range of crops, for example, wheat, maize, peanuts, cotton, grapes, potatoes, barley and a variety of different vegetables.

The economy of the Northern Cape is in long-term decline, and many economically active individuals are forced to look outside the province to secure employment. Agriculture, the province's leading economic sector, is contracting, and there is evidence that it is substituting capital for labour thereby exacerbating the employment problems in the province. Provincial statistics show that approximately one-quarter of the work force is unemployed, and micro-studies show that the burden of unemployment falls more heavily on poorer when compared to richer households.

### **Land Reform in South Africa**

Following the 1994 elections, the South African government launched an ambitious land reform programme that has three components namely, restitution, tenure reform, and redistribution. These three components are described below.

## **Land Restitution**

This programme aims to restore land to those people who were displaced as a consequence of such acts as the Natives Land Act of 1913, and the Native Trust and Land Act of 1936. Those black households who owned land outside the reserves were initially exempted from the provisions under the 1913 Act, however, from the 1950s up until the 1980s these households or 'black spots', as government called them, were subjected to forced removals.

This programme only considers those communities that can prove that they were forcibly removed after 19<sup>th</sup> June 1913. A Land Claims Court and Commission that was established under the *Restitution of Land Rights Act*, 22 of 1994, is the body responsible for adjudicating these claims. By March 1999, the closing date for submissions, the Commission had received approximately 69,000 claims made by groups and individuals.

## **Land Tenure**

The White Paper on Land Policy explains that until the early 1990s, it was government policy that black people should not own land. The form that land rights took in the homelands and townships was permit based or held in trust. In most cases the land was registered as the property either of the government or of the South African Development Trust. In many areas of the country, the administration of the land was confused and chaotic, and while households may have occupied land for many years, they had no legal right to that land. This uncertainty was the cause of much conflict as land could be confiscated, redistributed or sold by others who claimed to own it.

The White Paper aimed to tackle these issues by introducing a tenure reform programme that would develop new systems of land holding, land rights, and forms of ownership. To this end, the government passed a number of Acts that aimed to help people to obtain stronger rights to land they live on, and to land which is situated nearby.

## **Land Redistribution**

The purpose of this programme, as outlined in the White Paper on South African Land Policy is to redistribute land to the landless poor, labour tenants, farm workers, and emerging farmers for residential and productive uses, to improve their livelihoods and quality of life.

The programme involves a single yet flexible redistribution mechanism that aims to be as inclusive as possible so that it can react to the needs of a range of people: from poor female-headed households to better off entrepreneurial black farmers. Land transactions are voluntary, and are based upon a 'willing seller' and a 'willing buyer'.

In 2001, the Minister introduced a new sub-programme of the land redistribution programme called Land Redistribution for Agricultural Development (LRAD). In essence the government has identified this programme to meet a number of key objectives such as contributing to the redistribution of 30 per cent of the country's agricultural land over 15 years; improving nutrition and incomes of the rural poor who want to farm on any

scale; decongesting over-crowded former homeland areas; and expanding opportunities for women and young people who stay in rural areas.

## **Key Problems affecting Land Reform Beneficiaries**

This section focuses on some of the key factors that FARM-Africa has identified through its research and its practical field work that has severely constrained the ability of its land reform beneficiaries to exploit the potential of their natural resources.

### **1. Distance**

One of the most significant problems preventing land reform beneficiaries from gaining access to their land is the distance between where their farm is situated and where the beneficiaries live. For example, the Dirisanang group's farm is approximately 70 kilometres from the town of Warrenton where the majority of the group resides. The members of the #Khomani San community that live in Upington have to travel approximately 200 kilometres to reach their six farms, and 300 kilometres to be able to gain access to the Kaglagadi Transfrontier Park where they have rights to 25,000 hectares. While the majority of #Khomani San members live in Rietfontein they too have to travel nearly 100 kilometres to reach their land. Likewise the land that was purchased to expand the commonages of Pofadder, Prieska and Strydenberg is located up to 80 kilometres away from where the users live. While it is accepted that the #Khomani San is a restitution project, and the government has returned land to the community that their forebears were evicted from, if over the passage of time many members have moved away from the land that is to be returned, and are unlikely to move back, then arguably the government should consider purchasing new land that is situated much closer to where individuals reside thereby increasing the chances of them being able to use the land productively.

The 'distance effect' is a significant problem because the majority of beneficiaries do not own their own transport, and few taxis run affordable services to the farms because they are not situated on regular taxi routes. In both the Dirisanang group and the #Khomani San community, for example, approximately 50 per cent of those members interviewed cited a lack of affordable transport as a significant factor that had prevented them from accessing their land.

### **2. Livelihoods**

The research undertaken by FARM-Africa that collected both quantitative and qualitative data on livelihoods from its six land reform beneficiary groups showed that most households derive the bulk of their income from two sources: government transfers, for example, pensions, disability grants and child support grants, and seasonal, casual and other salaried work, and that the majority of these economic opportunities are based locally.

The research findings showed that few households engage in agricultural activities and those that do produce small amounts primarily for home consumption, and many of the people that engage in these activities are old and unwell. This is partly explained by the fact that apartheid legislation made

it almost impossible for black households to engage in agriculture outside the Bantustans or so-called homelands, and a household's home plot was the only land that the majority could access. Also due to their small size they are best suited to subsistence and not commercial farming methods and technologies.

Thus in the light of the above purchasing large highly developed commercial farms that are located far away from where households live and develop their livelihoods can make it extremely difficult for poor people to integrate this large asset into their existing livelihood portfolios.

### **3. The right to settle**

One possible solution to the 'distance effect' might be to allow those members who are interested in farming to settle permanently on their land. However, many of the farms that are purchased by the government for redistribution purposes include a clause in the transfer deed that specifies that the land can only be used for agricultural, and not for residential purposes, the aim being to ensure that the land remains in production.

In theory such a clause should not necessarily have a negative effect on the productivity of a farm especially where the beneficiary group are able to gain access to their land at relatively low cost, but as has been outlined above this is often not the case. The research showed that having to incur relatively high transport costs in order to gain access to land is a major disincentive for members who wish to engage in agricultural activities. Ironically therefore not allowing members to reside on the farm may be a factor that negatively impacts upon a farm's productivity.

The notion of undertaking either commercial or subsistence farming from a remote location is untenable. To manage livestock effectively, they must be monitored regularly and fences and watering points need to be checked and maintained to high standards. Likewise vegetable and cereal crops need constant attention especially during the summer months when the regular delivery of irrigation water is vitally important if the crop is to achieve its productive potential. Expecting relatively poor people with few resources to undertake such exacting tasks from a remote location is unrealistic.

### **4. Lack of infrastructure**

It has been FARM-Africa's experience during its involvement with the South African land reform programme that in many cases farms are transferred to land reform beneficiaries without the necessary infrastructure required to develop the land effectively. For example, fences are either inadequate or non-existent; windmills and water troughs are broken; implements and machinery for crop production are poorly maintained or dilapidated. Examples of this were found at: Witbank, Vaalboschoek and Strydenberg.

While the lack of infrastructure should not be a problem, per se, an inability to gain access to funds to make good these shortfalls is a concern. Thus receiving a farm with poor infrastructure or none at all is yet another contributory factor that can hinder the ability of emerging farmers to use their

land productively. Due to the difficulties that poor individuals who have no collateral experience in gaining access to formal credit, they are effectively unable to borrow money to undertake the necessary repairs. Also while there are government grants available for this type of work, for example, the Department of Agriculture's Land Care Programme and the National Development Agency, the expertise required to access grants of this nature is often lacking within the group.

Another problem that FARM-Africa has witnessed especially at its commonage sites is the theft of infrastructure as well as the deliberate destruction of infrastructure for no apparent reason. This of course has a negative impact on commonage users as their livestock are more vulnerable to theft, and it makes it very difficult to implement grazing systems if the grazing camps are no longer enclosed.

### **5. Too poor to farm?**

Before the 1994 elections South African white commercial agriculture was heavily subsidised, and protected from global competition and these conditions facilitated the development and growth of a sophisticated, capital-intensive agricultural sector. Also during this period the notion of an economic farming unit emerged that in essence tried to set a minimum farm size that would provide the livelihood needs of a farming household. The sub-Division of Land Act, of 1970 was enacted to prevent farmers from selling off sections of their farms into smaller, and arguably uneconomic units.

Due to the low rainfall rates in the Northern Cape the majority of farms focus on extensive livestock production and tend to be large in order to satisfy the economic unit criteria. An important fact in the land reform process that arguably is not being given the attention it deserves is whether the land reform communities have or are able to gain access to a range of resources and skills that they will need to develop these large farms. Some of the resources include, for example, finance, technical agricultural skills, farm management and administrative techniques, and marketing skills.

What is clear from the experience FARM-Africa has gained over the past eight years is that these resources have been lacking at almost every project site. Consequently, the groups have experienced immense problems and many of them have proved to be insurmountable. The key lesson is that providing an exceptionally complicated asset to very poor people is unlikely, without considerable state subsidies over a long period of time, to yield a positive return on the initial investment.

### **6. Development plans**

FARM-Africa's resources have been focused on the post-transfer stages of land reform when groups take possession of land that they have received through the government's land reform programme. It has not been involved in the pre-transfer stages of the process where groups form, and go through the process of identifying a suitable farm to meet their needs.

Without exception every group that FARM-Africa has worked with has not had a business plan outlining how it wishes to develop its natural resources. As no narrative or financial plans exist for the management of the farm, the group operates the farm in a very unstructured manner. This often leads to a shortage of money at key times in the agricultural calendar such as paying for the planting or harvesting of a crop, and due to the difficulties of gaining access to credit the group often faces “cash crises” that are resolved by selling the farm’s more liquid assets such as cattle or game that may endanger the future financial sustainability of the project.

Also there has been great difficulty in reaching agreement on and implementing grazing plans and this poses a significant threat to the long-term viability of the resource as there is every indication that over stocking is occurring on most farms. Likewise the inability to reach agreement regarding the security of the farm over weekends has led to theft not only of stock but also of expensive infrastructure such as windmills and air conditioning units.

Arguably the lack of plans act as a formidable constraint to the successful management of the farm as well as making it more difficult for outside agencies to focus their resources effectively. In the light of this inadequacy, FARM-Africa has initiated a participatory land use planning process where group members are supported in the task of developing their own management plans that attempt to reflect the different needs of group members.

#### **7. The management capacity of executive committees**

Each land reform group is legally obliged to elect democratically an executive committee that is responsible for managing the group’s affairs. Some of the administrative tasks of the executive committee include the following: preparing annual financial records of the group, holding regular meetings to discuss the matters of the group, drawing up agendas and keeping minutes of all meetings, investing surplus funds for the benefit of the group, negotiating loans from credit institutions, letting or selling immovable assets, instituting legal proceedings, disseminating information and satisfactorily resolving either internal or external conflict.

The tasks listed above are demanding, and often complicated. FARM-Africa’s research showed that many land reform beneficiaries who are over the age of 40 have been poorly educated, and are often functionally illiterate. Also most executive committee members are over the age of 40. It is clear from the above that a minimum level of literacy is required to undertake most of these tasks, although it should be noted that even where a member is literate it is most likely that he or she will never have had experience of these types of administrative tasks, and it is therefore imperative for them to undergo training.

The real danger of expecting office bearers to undertake duties for which they have no qualifications is that overtime the frustration of failure leads to them being ignored. When this happens there is the possibility that the executive committee starts to make unilateral decisions that may compromise the future

of the project. An example of this was found in the #Khomani San project where the management committee was disbanded by the government for improper financial administration.

Group members frequently express their feelings of irritation at the failure of their executive committee to manage their affairs transparently and effectively. Often they foresee the election of a new committee as a way of resolving the inadequacies of the current committee. Unfortunately, this rarely solves the problem because fundamentally there exists a mismatch between the skills and experience of group members, and the skills and experience required to manage not only a large disparate group of people who often have competing, and sometimes conflicting objectives but also a technically sophisticated farm.

### **8. Gaining access to technical agricultural support and credit**

The dangers of not addressing the development of the executive committee member's management and administrative skills were highlighted above. Indeed the same argument applies for technical agricultural skills. It has been noted already that a home plot was the only land that most previously disadvantaged South Africans could access before the historic elections of 1994, and these were very small and best suited to low input, labour intensive technologies. Also due to their very low output the majority of the produce from these small gardens is consumed at home. The white commercial farming sector, in contrast, owns much larger more sophisticated land holdings that are often highly developed in terms of their infrastructure, farmers usually adopt the most recent technological packages in their crop and animal production processes, and the bulk of their produce is sold on the open market.

When groups of emerging black farmers take ownership of a white commercial farm it is most likely that they will not have the technical agricultural training and expertise required to exploit the potential of the farm. Therefore the importance of technical training and support being delivered to them cannot be over emphasised, and it is unlikely that results will be achieved over a short space of time. Arguably, development agencies must be willing and able to commit themselves for an extended period of time if sustainable long-term results are to be realised.

Due to the "lumpiness" of agricultural revenues, farmers need to be able to borrow money in order to finance critical activities over the season. If they are unable to gain access to these resources, then they will experience severe constraints in developing their farm to its full potential. The ability of FARM-Africa's groups to enter into agreements with formal lending institutions is poor. The Land Bank is the main source of funds for emerging farmers, and due to the risky nature of irrigated agriculture they favour lending to animal production projects unless the group can assure them that they have the skills or that they can purchase the skills that are required to grow the crop.

While there are other factors that have constrained production, the difficulties experienced in gaining access to credit has played a role in constraining the ability of the FARM-Africa groups to develop their land. One effect of this

shortage of money is that some groups have been forced to sell their more liquid assets such as domestic livestock and game species in order to fund immediate repairs, to purchase essential inputs and to pay wages. The evidence of adopting this strategy shows that it is financially unsustainable. Indeed evidence from one group shows that after four years it has depleted over three-quarters of its herd of breeding cattle to pay outstanding accounts.

#### **9. Equitable access and grazing fees**

FARM-Africa's research shows that access to land has been restricted to a minority. For example, only 18 of the 384 beneficiaries of the Dirisanang small farmers association are using the resource, and the data from other projects show that a maximum of 20 per cent of the beneficiaries are managing to integrate the resource into their livelihoods. There are no agreements for the users to compensate the non-users and indeed due to the difficulties experienced by most executive committees in communicating developments on their farms, it is very likely that the majority are unaware of how the resource is being used.

Most groups have failed to reach agreement on user fees and where they have they are usually highly regressive thus penalizing those individuals with relatively small stock holdings. Another problem is a culture of non-payment and municipalities and executive committees alike have experienced great difficulties in collecting users fees.

#### **10. Obligations of having water rights**

Another factor that negatively affected the ability of one of FARM-Africa's groups to develop its land was the failure of government to explain the financial implications of having water rights. On the Vaal-Harts irrigation scheme farmers are allocated water rights and the Department of Water Affairs is responsible for ensuring that the water allocation is delivered and, in turn, the farmer is responsible for paying for the water whether or not it is used.

The failure of government to explain this simple system, and the inability of the group to sell its excess water has led to a very large debt of Rand 500,000 that has considerable negative implications regarding repayment of the debt considering the difficulties it has experienced in managing the farm productively and profitably.

#### **11. The responsibility for Act 126 projects**

The nature of land reform in South Africa is that once groups have taken possession of land there is no government department that takes responsibility for co-ordinating the provision of long-term support. This is in sharp contrast, for example, to commonage projects where farmers lease the land from the municipality, and the municipality has a contractual agreement with the lessees to provide an environment that is suitable for farming.

There is a notion that if land reform groups are provided with technical agricultural support they will succeed. This, however, is too simple. While there is no doubt that land reform groups will require a considerable amount

of technical agricultural advice this is a necessary but not a sufficient condition for their success. Moreover with the Department of Agriculture employing just 32 extension officers many of whom have been trained to support white commercial farmers and often lack both the technical and the social skills to support emerging black farmers will face a great challenge in delivering a high quality service to over 100 land reform projects.

There is a need for government to recognise the fact that these groups also need a wide range of administrative and organisational skills that the majority of members do not have due to previous discriminatory policies. If this point is accepted, then the government needs to be clear about how these skills will be transferred and what role it plans to play in the process. Considering the lack of capacity in many government departments, they will find it very difficult to achieve this goal unless their own staff receives further training.

While the issue concerning the range of skills that land reform groups need and how it will be delivered is very important, the question of how best to integrate these projects into local government structures also needs to be addressed. While land reform projects are included in municipal Integrated Development Plans this does not always guarantee that they receive the training and support they need to develop their farms. Arguably, there needs to be change to the status quo as currently land reform groups do not receive sufficient support and training in both technical agricultural and non-agricultural skills as well as not being properly embedded into existing government structures. The result is that they are operating in a sub-optimum environment.

## **12. Land reform groups and their constitutions?**

After coming to power, the African National Congress passed the Communal Property Association's Act that enabled groups of people to own land. There are other communal property institutions such as trusts that achieve the same objective. Before a group takes possession of its land it is legally bound to draw up a constitution that describes, amongst other things, the purpose of the group, the rules and regulations of the group, and the duties of the office bearers.

At all of FARM-Africa's projects either government officials or consultants have developed the constitutions, and this has been done without any participation from members of the land reform groups. As many beneficiaries of land reform groups are illiterate they are, de facto, excluded from these documents, and where they can read, they often experience difficulties in understanding the contents as they are written in complicated legal language that is not always easy for the layman to understand.

Thus while the constitution provides information to help guide the executive committee in the execution of its mandate, frequently they do not feel ownership of the document and only have a vague understanding of it. Thus there is a real danger that the group fails to manage its land in the interests of the majority, and this in turn can lead to benefits from the farm being captured by a small elite. It is FARM-Africa's experience that many of the statutory

requirements of the group as laid down in their constitutions and the Communal Property Association Act such as holding regular elections, submitting audited annual accounts, ensuring equitable access to resources are ignored.

### **13. Government policies and their effects on emerging farmers**

While there are differences of opinion about the effectiveness that subsidies have upon the efficiency of markets, the government's White Paper on agriculture makes it clear that the grants and subsidies that were given exclusively to white farmers prior to the 1994 elections will not be continued to any ethnic group. Others express concern that South Africa's economy that is dominated by principles of fiscal discipline will make it very difficult for line ministries to provide appropriate levels of support to emerging farmers. The difficulties that the Department of Agriculture in the Northern Cape is facing have already been discussed above in point 8.

Another very significant policy that affects the fortunes of all farmers in the country is the fact that after the 1994 elections South Africa joined the Cairns Group. This is a collection of middle and high-income countries that are committed to achieving a fair and market-oriented agricultural trading system. In keeping with this aim, the government abolished the majority of its market distorting protectionist policies and is now arguably one of the most liberalised agricultural markets in the world.

The effects of such a policy is that nations that subsidise their agricultural industries such as Europe and America can often sell their products in South Africa at or below South African production prices. Such open markets can also experience large price fluctuations that can be advantageous as well as disadvantageous. For example, while the price of maize was at its highest level for many years in 2002 in early 2003 it lost nearly half its value. In such an environment farmers need to be able to react quickly to changes, and to reduce risk by using the commodity futures market. Arguably it will be those farmers that are well-resourced and have managed to diversify their businesses that will be best able to exploit these opportunities or to manage the negative consequences of sudden unfavourable price movements.

Thus it is clear from the above that the macro-environment in which emerging farmers are experiencing is very harsh indeed, and expecting them to be able to cope with these conditions in their early years when they are mastering the skills and techniques of farm management may be too optimistic. Thus an argument can be made for providing support and protection to these types of farmers against the vagaries of the market that allows them to develop technical, financial, managerial and marketing skills as well as their asset base so that they are in a stronger position to cope with the challenges of operating in South Africa's highly competitive agricultural market.

FARM-Africa  
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