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A Political Economy of Land Reform in South Africa

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Land reform is one way in which the 'new' South Africa set out to redress the injustices of apartheid and, by redistributing land to black South Africans, to transform the structural basis of racial inequality. During the first decade of democracy, land reform has fallen far short of both public expectations and official targets. This article describes the progress of the programme and its changing nature. It is argued that a recent shift in land policy, from a focus on the rural poor to 'emerging' black commercial farmers, is consistent with changes in macro-economic policy and reflects shifting class alliances. The programme now appears to pursue a limited deracialisation of the commercial farming areas rather than a process of agrarian restructuring. Most fundamentally, land reform has not yet provided a strategy to overcome agrarian dualism.

Processes of land reform have intersected with, and been informed by, shifting politics in the post-transition period in South Africa. Ricardo (1821) suggested that the principal problem in political economy concerns the relations and distribution of resources among three classes, namely 'the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivated'. This paper considers how these relations have structured land policy in post-apartheid South Africa, and how political decisions have been made about the allocation of scarce resources among competing uses. It is argued that the advent of non-racial democracy has seen a new configuration of class interests and the emergence of a powerful alliance that is committed to deracialising ownership but retaining the structure of the commercial farming sector rather than restructuring the agrarian regime.

South Africa's agrarian structure is 'dualistic' in the sense that it comprises, in the former 'white' rural areas, a capital-intensive commercial farming sector engaged in large-scale production and strongly linked to global markets and, in the former 'black' homelands, an impoverished sector dominated by low-input, labour-intensive forms of subsistence production as a key source of livelihood along with migrant remittances and state pensions. While the two sectors were presented by past governments as reflecting 'modernity' and 'tradition', respectively, the economic function of the black 'reserves' was to reproduce, and subsidise the cost of, labour (Wolpe, 1972). In this way, the reserves subsidised industrialisation and economic growth in 'white' South Africa's manufacturing and mining sectors. This dualism has been widely recognised as a feature of 'racial capitalism' under apartheid, understood as the collusion of racism and capitalist interests (Lipton, 1985).

Land reform performs an important symbolic function in the 'new' South Africa as tangible evidence of a nation addressing historical injustice as part of a wider process of nation-building. It also has the potential to form the centrepiece of a programme of rural restructuring: to transform social and economic relations and provide a structural basis for broad-based pro-poor development. These twin functions acquire particular significance when seen against the backdrop of chronic rural poverty: 70% of rural people live below the poverty line, among them nearly a million farm workers and their dependants, plus nearly a third of South Africa's population crowded into less than 13% of the land, in the former 'homelands' (May and Roberts, 2000; RSA, 2001).

This article describes the spectacular underperformance in the land reform programme in its first five years, delivering a small fraction of the target of transferring 30% of agricultural land, and the subsequent shift of focus from the rural poor to supporting the emergence of a class of black commercial farmers. To different groups within South Africa, land reform is, variously, about the deracialisation of capital, the promotion of smallholder agriculture, direct poverty reduction by transferring assets to the poor, human security and secure tenure, and historical justice. One of the central tensions has been between proponents and opponents of the commercial farming model. Through dispute over what land reform is for, and who should benefit, South Africans are contesting the vision of a transformed post-apartheid society and thereby drawing into question the very nature, and purpose, of political transition.

Land Reform in the First Decade of Democracy

The status of existing property rights (including agricultural land) was a central factor in the negotiations that led to political transition. White farmers and industrialists successfully lobbied to ensure that commitments to transformation in the 1993 interim constitution and the final 1996 constitution were tempered by a 'property clause' that recognised and protected existing property rights. Land reform could happen but would be constrained, leading some commentators to observe that 'in effect, colonial land theft is now preserved by constitutional sanction' (Hendricks and Ntsebeza, 2000).

The interaction of a number of factors ensured that a programme of land reform was adopted. Among these were mobilised rural communities, drawing on the militancy of their resistance to forced removals – and the non-governmental organisations (NGOs), civics and church groups that supported them – who demanded that their land be returned to them. Another factor was the advice of the World Bank, which promoted its own 'market-led' model of land reform and argued that redistributing land and creating a class of black smallholders was necessary to avert social and political instability, as well as to promote rural development (Hall, 1998).

The African National Congress (ANC) committed itself, as part of the Reconstruction and Development Programme (RDP) to a land reform to redistribute 30% of agricultural land to the poor and landless over a period of five years. World Bank advisors had proposed this target as feasible, noting that 6% of agricultural land is transacted each year – and thus appearing to hold to the incredible notion that *all*, or nearly all, land on the market would be bought for redistribution (Aliber and Mokoena, 2002:10). **To provide a sense of scale, the commercial farming areas of South Africa amount to about 86 million hectares, of which 30% is approximately 26 million hectares. RUTH: I don't understand this. Jan**

Land reform was conceived as a means by which the South African state would provide redress for past injustice and promote development. It would pursue these twin goals by restoring land rights to those dispossessed by segregation and apartheid through a **land restitution** programme, securing and upgrading the rights of those with insecure rights to land through a **land tenure reform** programme, and changing the racially skewed land ownership patterns through a **land redistribution** programme (DLA, 1997a). Each of these three components of land reform in South Africa is mandated by the Constitution, which not only empowers the state to pursue a programme of land reform, but also obliges it to do so and allows for the expropriation of property in pursuit of 'the nation's interest in land reform' (RSA, 1996).

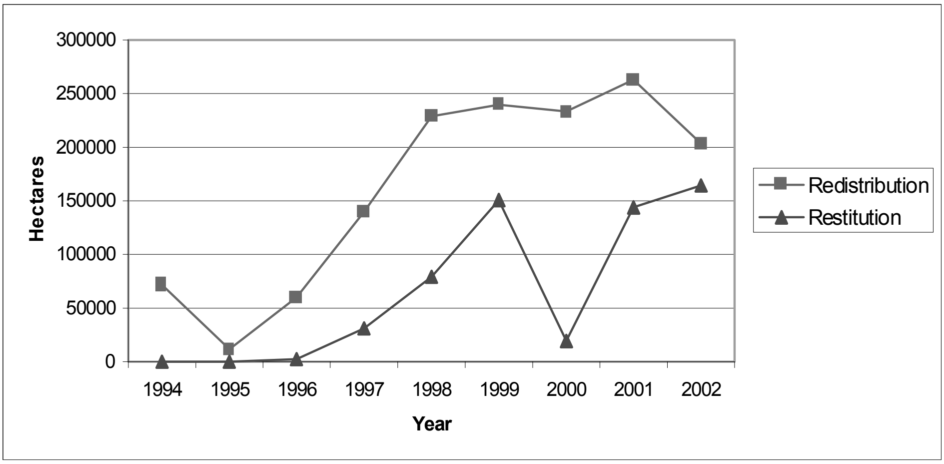
Land Redistribution: From Pro-poor to a Commercial Model

The primary focus of government's land reform has been the redistribution of land through a market-led 'willing buyer, willing seller' land redistribution programme. From 1995 to 1999, this took the form of making available Settlement/Land Acquisition Grants (SLAG) to poor households to enable them to purchase land. Because the grants, at R16 000 per household, were small compared to the price of land, this often required large groups to pool their grants in order to gather sufficient funds to purchase land. The model was widely criticised for the complex group dynamics that resulted, because it reproduced overcrowding, and because it did not link the acquisition of land to support and resources to enable people to generate a livelihood off it (DLA, 1997b).

In response to these critiques, and wider changes in government's thinking about the state's role in development, the Minister of Agriculture and Land Affairs instituted a moratorium on land redistribution in 1999, pending an internal policy review, and in February 2000 announced a new policy direction. The 30% target was confirmed, but would be pursued over a longer period of a further 15 years (from 2000 to 2015), and the major means of achieving this would be a new redistribution programme aimed at establishing a class of black commercial farmers. The new policy, named the Land Redistribution for Agricultural Development (LRAD) programme, was originally designed for people with capital to invest, preferably those with agricultural diplomas. Applicants would need to make a contribution to the cost of the land of between R5,000 and R400,000 and, depending on the level of this contribution, would be eligible for a matching grant of between R20,000 and R100 000, on a sliding scale (DLA, 2000). Following criticism of this 'abandonment of the poor', the requirement of a minimum cash contribution of R5,000 was discarded – the poor could contribute this in the form of sweat equity – but according to some DLA officials, applicants must still comply with commercial criteria.

Since its launch in August 2001, LRAD has been firmly established as the flagship redistribution programme of government, eclipsing other programmes such as those providing land for settlement and access to municipal commonage land to the poor. As Figure 1 (over) shows, land transfers have picked up momentum over the past few years, but still fall far short of the rate of 2.15 million hectares per year now required to meet the revised target of redistributing 30% of agricultural land by 2015.

Table 1: Land Transferred through Land Reform per Year 1994-2002



Source: DLA 2003 & CRLR 2003a; Note: The above reflects performance per calendar year with respect to land redistribution (January to December), and per financial year with respect to land restitution (March to February).

It is not possible, on the basis of existing official data, to draw precise conclusions about who is benefiting from LRAD, but the sizes of grants disbursed and levels of capital contributed do tell us something about the socio-economic profile of applicants. This ranges from the poor to the very well off, with substantial variation between provinces. In KwaZulu-Natal, for instance, it is almost exclusively the well off who have been able to participate, by contributing substantial cash, assets or loan finance. In the Eastern Cape and Western Cape, in contrast, a cross-section of socio-economic groups have participated, with some entering at the lowest grant levels (Jacobs, Lahiff and Hall, 2003). Most applicants have made some contribution in cash or kind, and most have been men.

To the extent that the poor are accessing LRAD, it offers a higher level of grant than was available in the past, but to fewer people. Despite some gains in terms of delivery, then, poor and rich compete for limited resources. Some of the central challenges encountered under the previous programme are yet to be addressed. These include problems of the availability of land for sale at reasonable prices in areas of high demand and in parcels appropriate to the needs of applicants; financial and practical obstacles to the poor accessing the programme; and limited post-transfer support in the form of extension services, training, infrastructure development and access to credit and markets.

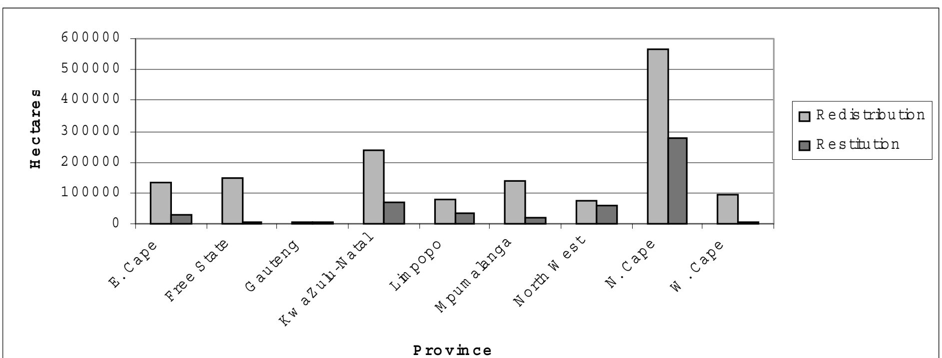
Land Restitution: Limited Restoration to the Dispossessed

Forced removals of black people in support of apartheid laws like the Group Areas Act, the Natives Land Act, and in processes of homeland consolidation and clearing 'black spots', were features of apartheid repression and formed a potent basis in the 1990s for the dispossessed to demand that their land be returned to them. A restitution programme was adopted in 1994 as a separate process of redistributing land rights from white to black South Africans, to restore land rights to people dispossessed of land since the Natives Land Act 27 of 1913. Claimants could return to their land or opt for other redress, for instance in the form of cash compensation. A Commission on the Restitution of Land Rights (CRLR) was established to assist claimants to make their claims, to investigate claims and prepare them for adjudication by a specially constituted Land Claims Court (LCC). A total of 63 455 claims were lodged by the deadline for submission of claims in December 1998, of which most were urban claims to residential land made by individual households. In the rural areas, though, claims by entire communities to large tracts of land – including prime commercial farmland – numbered nearly 20,000.

Processes of accumulating evidence in support of these historical claims proved to be arduous and time-consuming. Only one claim was settled by 1997. By 1999 it was clear that the programme was in trouble, having resolved only 41 of the 63,455 claims. The rate at which land restitution claims have been settled increased dramatically since the adoption of an administrative route (where the state seeks negotiated settlements with claimants) rather than a court process, and peaked at nearly 18,000 in one year in 2001/02. At the same time, the number of households per claim settled has dropped sharply from 432 in 1998 to 2 in 2002, and the number of hectares restored per claim dropped from 5,185 in 1998 to 8 in 2002. Together, these indicate that the vast majority of claims settled over the past few years have been individual household claims in urban areas, settled through cash settlements (Hall, 2003). Very few rural claims have been settled and rural land had been earmarked for transfer in respect of only 185 of the 36,488 claims settled by March 2003, again indicating that the bulk of complex and costly rural claims involving large numbers of people and large tracts of rural land remain unresolved (CRLR, 2003b; Hall, 2003).

According to the Commission, just over 800,000 hectares had been earmarked for restoration by March 2004, though only a proportion of this had actually been transferred to, or settled by, claimants (CRLR, 2004). Yet a perspective on *where* this has happened, and what quality of land has been restored, indicates that both restitution and redistribution have disproportionately provided black people with access to relatively low-value land, making few inroads, as yet, into white ownership of the profitable high-value sectors of agriculture. As evident in Figure 2, more than half of all land earmarked for restitution, and more than half of all land

Figure 2: Land Transferred per Province 1994 to December 2002



Sources: DLA 2003 and CRLR 2003b

redistributed by the end of 2002, was in the semi-arid regions of the country in the Northern Cape. Since then, the pattern has altered somewhat as a few large claims have been settled in Mpumalanga (CRLR, 2004).

With most urban claims now settled, and as the focus of restitution turns to the rural claims, the programme will inevitably confront current owners unwilling to sell. To date, the state has relied on negotiated sales and, where these are not possible, has offered claimants cash instead. This is not likely to be a durable strategy, since many rural claimants insist on returning to their land and in a handful of cases have staged illegal occupations of the land in question to highlight their grievances over delays in finalising their claims. It remains to be seen how the state will navigate the contradiction between black communities' historical claims to land, and the property rights of its current owners, and whether or in what circumstances more interventionist strategies, like expropriation, will be used to force the pace of change.

Reforming Tenure: at the Margins

Attempts to reform tenure relations on farms, or to provide farm dwellers and labour tenants with land of their own, have raised but not realised possibilities of further redistribution in the countryside, not least because securing tenants' rights is anathema to the overarching policy emphasis on the property rights of ownership and owners. People living and working on commercial farms, often seen as a rural proletariat, are among the poorest South Africans, some of whom are engaged in struggles to retain and secure their access to land for independent production through various forms of cash, share and labour tenancies. Laws introducing new labour and tenure rights for farm dwellers in the 1990s have been notoriously difficult to enforce (RSA, 2001). These came at a time of wider changes in the sector and, together with economic pressures and a hostile response from many farmers, contributed to job losses, casualisation and evictions of farm dwellers – thereby promoting the process of proletarianisation and bringing to completion long trajectories of dispossession by separating rural workers from access to land. A policy review process was initiated in early 2002 to find new policy solutions but is yet to yield a new policy or legal framework for public input or for implementation.

Since the end of legislated apartheid, few improvements have been seen in the communal areas, where systems of land administration have collapsed and there is widespread uncertainty about the status of land rights. After six years of drafting legislation to address the situation, the Communal Land Rights Bill (CLRB) is due to be tabled in parliament ahead of the 2004 elections amidst widespread controversy.[1] It provides that title to communal land can be transferred from the state to the communities already residing there – but on the basis of ministerial discretion to determine who will get which resources and without addressing the problems of the disarray in communal land administration and discrimination against women (Claassens, 2003). Meanwhile, in the absence of clarity on tenure rights, and with the focus of redistribution falling on commercial farming, the urgent matter of making additional land available to ease the overcrowding in the former 'native reserves' remains unaddressed. In this sense, 'tenure reform' is being addressed in isolation from the wider question of how to overcome the divide between the overcrowded and under-resourced communal areas, and the wealthy commercial farming areas.

The Politics & Economics of Land Reform

The extent of land dispossession in colonial and apartheid South Africa dwarfs that of other Southern African states, yet South Africa's attempts to reverse this through land reform have been cautious. The current policy approach evidently cannot achieve its own limited targets, let alone restructure the rural economy and overcome the apartheid legacy of dualism in the agrarian structure. Here, I consider why the programme of rural reform has fallen so far short of expectations, but also how, and why, it has changed character, arguing that the current direction of land reform is limited in its scale and objectives and maintains the structure of the commercial farming sector. The first reason is the problem of 'big policy and the shrinking state', in that land policy bears little relation to the institutions, budgets and political environment in or through which it is to be realised.

Within the market-led paradigm, the state is to fund or subsidise the purchase of land and related infrastructure – an enormous undertaking. However, while adopting ambitious policy and targets, we have a shrinking state with inadequate institutional and financial resources.

Fiscal restraint is one reason why the redistribution of land has been so limited. A total of only 2.9% of agricultural land was transferred in the first decade of democracy, and during this period, the budget for land reform has remained at or below 0.5% of the national budget (National Treasury, 2004). While land prices have fluctuated substantially over the past ten years, and rising sharply in some regions while declining in others, the cost of acquiring land and creating a class of black farmers in the image of the white agricultural sector is likely to be prodigious (DLA, 1999). The purchase of land alone might come to tens of billions of rands. Based on past experience, the cost of land to settle the outstanding rural restitution claims alone is likely to be well over R10 billion (Hall, 2003). National budgets do not approximate these levels. It is in this context that a premium has been placed on mobilising private capital and the reliance on a central role for the Land Bank in making credit available to LRAD participants. Even so, in terms of both delivery and budget allocation, the scale of the shortfall is staggering.

The state's constraints are also felt in the area of operating budgets and staffing. A greatly constrained and overburdened bureaucracy in the DLA is itself reliant for success on cooperation and contributions from other overburdened and cash-strapped institutions, most notably local government (district and local municipalities) and the national and provincial departments of agriculture. Regardless of how land is acquired, substantial investments are needed to provide investments in infrastructure, extension services, access to inputs including credit, and access to markets – what has been termed 'post-transfer support' or 'post-settlement support'.

While the financial and institutional challenges of implementation are very real, experience points to further factors that constrain change in the countryside. The limited public resources made available for land reform result from the macro-economic policy environment that favours limited state involvement in the economy.

Macro-economic Perspectives on Land Policy

The South African government's growth, employment and redistribution (GEAR) macro-economic strategy adopted in 1996 is principally defined by its aim of reducing government spending below revenue in order to address debt (National

Treasury, 1996). GEAR embraces a neo-liberal paradigm in which the state plays a limited role in the economy. As a result, GEAR is hostile to social spending and promotes partnerships with the private sector as a means of maximising the impact of limited state programmes. GEAR also focuses on public works programmes as a means of job creation which, while not a panacea, could be an important counterpart to land reforms as part of a multi-faceted strategy to support rural livelihoods through increasing labour-intensity and opportunities for self-employment.

The restructuring of agriculture in South Africa, to the extent that it is happening, is largely as a response to South Africa's self-imposed structural adjustment in the late 1990s. For agriculture, this involved the removal of direct state support in the form of soft loans, tax breaks, state-run cooperatives and single channel marketing and the opening up of South Africa's markets to international competition through the dismantling of tariff barriers. All of this was exceedingly badly timed for that small class of black commercial farmers – or 'emerging' farmers which, in the South African lexicon, refers to black entrants into commercial farming – who anticipated that the end of apartheid would enable them to access the public resources previously reserved for whites. One result of the deregulation and liberalisation process has been a growing rift in the sector between 'winners' and 'losers', with a rise in the rate of bankruptcies and the consolidation of landholdings into fewer hands – a trend at odds with land reform (RSA, 2001). The state's support of an emerging class of black commercial farmers now sits uneasily with its removal of subsidies and other supports, which have combined to produce a uniquely hostile environment for new entrants into agriculture.

South Africa's market-led land reform is consistent with government's macro-economic orientation and notions of the roles of the state and market. Specifically, the replacement of SLAG with LRAD at the end of the 1990s brought land reform in line with GEAR's emphasis on entrepreneurship as a means of building a black middle class, with limited direct involvement in the economy by the state and reliance on partnerships with the private sector. However, ownership of agricultural land is not a top priority for black economic empowerment (BEE), since more significant opportunities for capital accumulation lie in joint ventures and value adding industries in secondary agriculture. 'Redistribution' as BEE, then, has been more actively pursued in the high value sectors of the economy – for instance in the form of the mining charter.

The commercial agricultural sector itself generates only about 4% of South Africa's gross domestic product, but is more significant as an earner of foreign exchange, bringing in about 14% of earnings of imports. It is also, though, a source of livelihoods for a good proportion of the country's poorest citizens – the nearly one million farm workers and their dependents (possibly five to six times this number) and the bulk of the residents of the communal areas, whose subsistence agriculture constitutes one important source of sustenance and income in a diversified package of livelihood strategies. Agriculture is of immense strategic importance in that a sizeable proportion of the South African population is dependent on agriculture for survival; it provides 39% of rural incomes and has significant forward and backward linkages into manufacturing (RSA, 2001). Since the mid-1990s, though, agriculture has been shedding jobs as the sector responds to macroeconomic changes. Any successes of land reform must therefore be seen against the backdrop of the structural erosion of poor people's livelihoods in rural areas.

The current perspective of government on the trajectory of agrarian change is one of progressive capitalism – a deepening of capitalist relations within the agricultural sector and its deracialisation that, together with foreign investment, is to pave the way for economic growth. The macro-economic imperatives of GEAR in turn form the context for the state's ideological attachment to commercial agriculture, which tends to undervalue the land uses of the poor.

The Privileging of Commercial Agriculture

The limitations of land reform relate not only to its scale but also to how resources are to be allocated, for what purpose, and to whom. A key point of contention in the debates on land reform in the early 1990s was the perennial 'farm size debate' about the relative efficiency of large and small units. World Bank advisors, buoyed by 'success' in smallholder farming in Kenya, argued for the economic efficiency of smallholder agriculture (Hall and Williams, 2003). However, the National Department of Agriculture (NDA) and its provincial departments have been widely recognised as failing to reorientate their services to meet the needs of a new clientele and to provide this at scale to poorer land reform beneficiaries (DLA, 1997b).

Powerful discourses of the economic efficiency of commercial farming, and the inefficiency of low-input agriculture by the poor, appear to persist within the state bureaucracy. This ideologically driven preference for commercial farming is evident even among those tasked with implementing land reform, where commercial farming criteria have been deployed in assessing applications for land grants. For instance, KwaZulu-Natal's provincial department of agriculture has adopted income criteria to assess LRAD applications, requiring projections of R20,000 profit per person within the first year of operating. For poor applicants unable to contribute above the minimum grant level, this would mean generating a 100% return on investment within the first year – somewhat unfeasible in low-input or subsistence agriculture (Jacobs, Lahiff and Hall, 2003). Agriculture departments have also attempted to control land use through business planning – including by prohibiting the expansion of settlement on agricultural land and dictating the terms of inheritance. Instead, officials have promoted joint ventures and inverse rental markets as options whereby black people might own land but not farm it themselves – satisfying both the demand for racial transformation and the imperative of retaining existing modes of capital-intensive production (Jacobs, Lahiff and Hall, 2003).

Transferring land in isolation from wider changes in access to resources and infrastructure has also left beneficiaries with constrained choices: to engage in low-input agriculture that they can reasonably finance themselves or to engage in joint ventures with public or private sector partners. Where land has been transferred, some have started to farm it themselves as a group, often combining resources. In other cases, they have leased it back to its previous white owners, as they lack the capital to farm it commercially. Though in some cases this may prove more profitable than other uses to which it might be put, rental income has to be divided among large communities, often bringing limited benefit to individual members. In others, joint ventures have been set up between land reform beneficiaries and commercial partners, including sometimes the previous owner, who offer shareholdings in businesses and possibilities of access to jobs.

The privileging of large-scale capital-intensive uses of agricultural land, particularly for export, makes sense in the context of GEAR. The special status of commercial agriculture is about scale and capital intensity, and explains the state's continuing unwillingness to confront the issue of subdivision of agricultural landholdings in a proactive manner. The commercial emphasis within land reform is a product of the balance of social forces that is tipped in favour of gradual deracialisation without a restructuring of property relations. The relatively weak articulation of demands for land is one part of this equation.

Demand for Land & Mobilisation from Below

It is commonplace in South Africa for urban intellectuals, businesspeople and politicians to argue that it is anachronistic to be pursuing land reform in an economy so dominated by industry and where, so the logic goes, people are moving to the cities in search of work, and that what the poor need are jobs and houses, not land. In fact, very little is known about the demand for land, and existing measures are of limited use. A survey in the mid-1990s, now possibly outdated, found that 68% of poor black people living in rural areas wanted land, but of these most wanted very small parcels of land with half wanting one hectare or less (Marcus, Eales and Wildschut, 1996). These findings reinforce a growing body of literature on livelihood strategies, which argues that the rural poor seek, in the first place, a secure place to live and land for small-scale cultivation of food crops, largely but not exclusively for consumption, plus access to (additional) grazing land. While some may aspire to producing for markets near and far, or increasing their scale of operation, most are unable to sustain the risks involved with full-time commercial farming, unless with substantial support from the state (Andrew, Ainslie and Shackleton, 2003).

The demand for land has become more apparent through land occupations in urban and rural areas. A pivotal moment in the recent past was the illegal occupation of peri-urban land at Bredell outside Johannesburg, and Khayelitsha outside Cape Town, in the winter of 2001 by shack dwellers whose homes had been flooded. Meanwhile, in parts of KwaZulu-Natal in particular, there have been reports of increases in encroachment by the landless on white commercial farmland where they have established their homes and, in some cases, started to engage in some agricultural production of their own. Elsewhere, groups of restitution claimants have tried to force the hand of the state by occupying both private and state-owned land to which they have laid claim (Steyn, 2002). Struggles for land are often interwoven with wider rural struggles for survival and for control of the countryside, evident in the levels of violence on farms, including murders of both farm workers and farm owners, the rise of farm commandos and patterns of fence cutting and stock theft.

Redistributive land reforms around the world have been premised on the question of capital – that agrarian transformation is to redistribute capital assets. Bernstein (2003) argues instead that this era ended with the advent of globalisation and the enormously increased mobility of capital, proposing instead that the agrarian question is now one of labour. Responding not only to dispossession but also to retrenchment both in agriculture and from urban industry, the rural poor and landless in South Africa have articulated broader demands for livelihoods – demanding jobs alongside, rather than instead of, demands for land (Hart 2002). The demand for land, then, is likely to be contingent on whether the poor see for themselves opportunities in a growing urban industrial economy. The past decade has instead seen substantial job losses (see Makgetla in this issue). Into this growing divide between rich and poor, HIV/Aids is a largely unaccounted factor which appears to be rapidly changing the profile of households, and structure of the labour force, in ways that underline the vulnerability of the poor.

A Landless People's Movement (LPM), influenced by the Landless Workers' Movement (MST) in Brazil, was launched at the World Conference Against Racism (WCAR) in 2001 with a campaign entitled 'Landlessness = Racism' and, since then, has had an impact disproportionate to its size and level of organisation, not least because it has been able to touch a raw nerve in South African society – the question of whether South Africa will become 'another Zimbabwe'. Its 'Week of the Landless' during the World Summit on Sustainable Development (WSSD) in 2002 showed the extent to which its slogans demanding land, food and jobs resonated with thousands of rural people, bussed in from all provinces, but also with residents of Johannesburg's townships and informal settlements (Greenberg, 2002).

Although explicitly non-aligned, the LPM has navigated between straightforward demands for delivery by government and anti-ANC sentiment defined by opposition to GEAR, privatisation and the New Partnership for Africa's Development (NEPAD). As it has grown, it has brought together a range of interests in a 'broad church' including farm workers, people from communal areas, traditional leaders, residents of urban informal settlements and people with historical claims. In a constituency of the rural poor that has been largely invisible in national politics, the advent of the LPM has given a proverbial 'voice to the voiceless', bridged some of the divides between rural and urban struggles and, despite its weakness and internal divisions, has had an impact on the national political landscape.

The emphasis on building a new class of black commercial farmers, as a primary thrust within land reform, is made possible by the relative weakness of the landless lobby but clinched by the emergence of more powerful alliances.

Deracialisation & Accumulation from Above

Agricultural capital has long been a white preserve in South Africa, and a crucially important political constituency for successive apartheid governments. The rapid deregulation of the sector in the 1990s led to its reorganisation, with implications for class formation and changing racial politics. Agri South Africa (AgriSA) and the National African Farmers' Union (NAFU) are the associations representing established white and black farmers, respectively, both of which have privileged access to the highest levels of executive authority in the country. Together, they constitute a presidential working group on agriculture, with which the President meets a few times each year. Though sometimes at odds with one another, these representatives of white and black farmers, together with the state, represent an emerging alliance forged through their participation in the working group where they developed a Strategic Plan for Agriculture to guide their future partnership and to frame government policy (NDA, 2001).

NAFU, the embodiment of a small but important class of black commercial farmers, was established in 1991 out of a committee of the National African Chamber of Commerce (NAFCOC) as a project of emerging black capitalists to lobby both government and donors to support black commercial farmers with access to land, markets, finance, research and technology (Mothabela, pers. comm.). Its members are individual black farmers (rather than agribusiness), some of whom are businesspeople who are investing profits from urban enterprise in agriculture (Matlala, pers. comm.). In some respects, then, the accumulation of agricultural capital by black

South Africans is not clearly distinguishable from capital accumulation more broadly, whether through individual business ventures or BEE partnerships in industry. While NAFU appears not to be a large or powerful interest group in its own right, it does provide a black counterpart to existing white agriculture – and a ready partner for a programme of deracialisation in the commercial sector.

The strategic plan sets out the means by which further growth in the commercial sector of agriculture will be pursued by the public and private sectors. It places emphasis on the need to improve perceptions of the sector as key to boosting investor confidence in agriculture and supports LRAD's 'philosophy of market-assisted land redistribution' as a means of farmer settlement (NDA, 2001:7-9). It sets out a vision of privatising communal resources in the former homelands, by transferring resources to 'qualified farmers' (NDA, 2001:9). Most importantly, by recasting the issue as one of agriculture, those with existing interests in the commercial sector have been able to create the framework for land reform policy.

The plan is an example of post-transition pacting between the state, white agricultural capital and a small but politically significant class of black commercial farmers. The alliance that has emerged through this process involves, in the first place, *white commercial farmers and agricultural capital*, which has an interest to maintain property prices and confidence in the land market, and to acquire black neighbours engaged in the same forms of production – including for the purposes of protecting access to international markets. Secondly, it involves *government*, whose interests lie in revenue and stability, and therefore the growth of the commercial sector alongside its deracialisation, and the growth of a black middle class, not least as a political buffer. Finally, and possibly most marginally, it involves *black 'emerging' commercial farmers*, whose interests are to gain access to state resources and become beneficiaries of the deracialisation of the sector and related BEE initiatives.

While AgriSA and NAFU maintain distinct identities at a national political level – NAFU in particular is interested in maintaining a distinct identity as a black constituency – in practice, their members have discovered some common interests. AgriSA has actively recruited black members since the late 1990s and in both KwaZulu-Natal and the Eastern Cape, the provincial affiliates of AgriSA and NAFU have amalgamated (Crosby and Bosman, pers. comm.). Encouraged by both government and by donors, AgriSA and NAFU have convergence on some matters of policy, arguing that 'We should not divide along colour lines, but according to size and sector. This is the way to divide the agricultural sector' (Mothabela, pers. comm.). In the process, AgriSA's white members, organised into district and provincial level farmers' associations and commodity sector organisations, have been able to retain influence on policy at the top echelons of the state, and NAFU has acquired a special status within the state's project of black empowerment in agriculture.

The alliance of the state with white and black farmers is of course contingent and susceptible to change. The South African state faces economic and political risks if much of the population remains marginal, which is likely to have an impact on the rule of law, investments, and property values, particularly if the rural poor become a politically articulate force in alliance with other social forces – for instance the urban poor and landless. The absence of a clear cost to the state of *not* pursuing a radical programme of restructuring in rural areas lies at the heart of explaining the current direction of policy.

Conclusion

The notion that black South Africans, with minimal support from a fiscally constrained state, can buy out white privilege is logically flawed and is increasingly discredited in practice. The cul-de-sac with redistribution, a policy vacuum in tenure policy for both the communal areas and the commercial farming areas, the failure to get the department of agriculture on board to support land reform and the slow progress of the Land Claims Commission in restoring land to claimants, all add up to a disappointing track-record of land reform in the first ten years of democracy. While there are successes on the ground, these do not add up to the structural change envisaged in the RDP, the ANC's post-apartheid manifesto of 1994. The redistribution of land has been limited and increasingly defined as commercial production of the model established in the white farming sector – even if sometimes on a smaller scale – bringing land reform just about full circle to 'business as usual' in the commercial farming areas.

It is a common wisdom in South Africa that the parameters of policy to confront the legacy of apartheid were constrained by the terms of the negotiated transition and that compromises made in the early 1990s are reflected in post-apartheid policy. However, the constitutional protection of property rights does not alone explain the path of reform. A political economy perspective enables us to see both why land reform has been so limited, and in whose interests it has been remoulded. While land reform falters, new alliances are emerging as powerful arbiters and shapers of what land reform is to become. Reliance on the market and on willing sellers to make land available for redistribution, and a relatively 'hands-off' state, means that land reform falls short of confronting and transforming entrenched forms of exclusion and marginality. While providing crucial resources to some, land reform is proceeding alongside the deepening of capitalist relations of production in the countryside. In this context, a focus on transferring assets to the poor is anomalous, since they lack the means to engage in capital accumulation in commercial agriculture.

That land reform is entrenched in the constitution and in government policy was a victory for a transformative agenda in South Africa. The challenge remains to root this in a wider agrarian restructuring but this is not likely in isolation from wider changes in the political economy.

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Endnote

1. The Communal Land Rights Bill was passed by Parliament in February 2004

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