

REDISTRIBUTIVE LAND REFORM IN SOUTHERN AFRICA

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Redistributive land reform in southern Africa is reviewed against the background of the recent land crisis in the region. The dilemmas created for governments and donors are described, as are attempts to grapple with them. Answers are sought to four questions: What has been the experience with land redistribution in the region over the last decade or so? What has been the impact on people's livelihoods? How are redistribution programmes expected to develop in future? What might be the role of donors in the process?

Policy conclusions

- In the design of policy instruments for land redistribution (e.g. form of market intervention, conditions of grant provision) it is important to recognise that redressing past injustices and promoting rural development are different policy objectives. Furthermore, it is important to differentiate between policy instruments intended to diversify ownership in the agricultural sector towards black commercial farmers and instruments to provide new opportunities for the rural poor.
- Market-assisted land reform and expropriation by due legal process have been slow, but principally because of inadequate administrative and technical capacity available to governments.
- The impact of land redistribution on intended beneficiaries has generally been positive although the numbers benefiting remain small.
- Unequal racial ownership of land has the potential for creating further agrarian (and wider economic) crises in the region unless addressed by accelerated progress in land redistribution.
- Demands upon donors are likely to increase: the main purpose of support should be to enhance administrative and technical capacity.

The context of land redistribution in the region

An earlier paper (see NRP no. 39) reviewed the reform of land *tenure* and how this affected rural livelihoods in the region. This current paper is concerned with redistribution which, in southern Africa, refers to the repossession of land alienated by white settlers and its reallocation to blacks, either as freehold or by its re-incorporation into the communal area.

Since the settlement following the Anglo-Boer war in 1902, a central objective of the **Swazi** nation has been the return of land alienated by white settlers. At the beginning of the period, Swazis held only one third of the land. By the 1980s they held two thirds. It was reposessed using funds raised by domestic taxes or from the UK government. **Malawi** has just embarked on a land redistribution programme, which targets large, foreign-owned estates for the resettlement of the landless poor. Land redistribution has been a central plank of land policy in **Zimbabwe**, **Namibia** and **South Africa** since their transition to majority rule. Box 1 shows the progress achieved up to the end of 2000 in these countries. The proportion of privately held land, most of it alienated by white settlers, is much greater in South Africa (72%) than in Namibia (44%) or Zimbabwe (41%). Zimbabwe has made by far the greatest progress in redistributing this land, 22.5% as compared with about one per cent in both South Africa and Namibia. So far **Mozambique** has been the exception: private estates nationalised in 1975 have been leased almost exclusively to large-scale concessionaires.

Two themes have dominated the debate in the region: land redistribution as a quasi-constitutional right and as a vehicle for rural development. The latter raises the question: what sort of rural development? Should land redistribution be for the rural poor or those more able to contribute to economic development? Furthermore, how far should government intervene to ensure that the land goes to those it considers most eligible? Finally, if government is to intervene, how can its capacity be enhanced so that promises of reform do not generate frustration and instability?

Land reform as a quasi-constitutional right

The rights of existing property holders versus pressures to pass laws enabling black citizens to gain access to land on

an equitable basis has been one of the most controversial issues in constitutional negotiations. In 1980, ZANU reluctantly accepted willing seller, willing buyer conditions for land acquisition in Zimbabwe. Since then, it has gradually reduced their significance, and in 2000, amended the constitution to allow land acquisition without compensation. Existing property rights were protected in new constitutions in Namibia and South Africa in the 1990s. These legalised more than a century of land grabbing by whites, an outcome strongly resented by Africans across the region.

In South Africa, drafters of the constitution were influenced by negative experiences of land nationalisation elsewhere, a desire to foster private investment and provide for demand-driven land reform. The constitution both protects property rights and provides for the enactment of legislation that enables the government to intervene in the land market (Box 2).

Land redistribution for rural development

Should government provide large numbers of poor people with small parcels of land, or redistribute it in larger parcels to black commercial farmers?

Both in Zimbabwe and in South Africa, the policy immediately following the transition was to redistribute former white-owned farmland to the rural poor. The position finally adopted in the White Paper on South African Land Policy (1997) was unequivocal in its poverty focus. Whilst the livelihoods of intended beneficiaries have improved, the limited extent of redistribution (see Box 1) has meant that the overall impact has been small.

Redistribution for the rural poor has been limited largely because of the technical and economic problems in subdividing large livestock-based farms in semi-arid areas. Over much of the region, scarce water resources mean that the human carrying capacity of the savannah is low. Pastoral settlement schemes in Africa suggest that neither the subdivision of commercial ranches into family livestock farms, nor group or co-operative ranching are viable options. The costs of settling families with small herds and flocks on individual farms, with reasonable standards of social and economic infrastructure, are very high and both economic

returns and environmental effects almost certainly negative (Adams and Devitt, 1992).

Following the initial redistribution phase in Zimbabwe and South Africa there was a change in emphasis in favour of redistribution to black commercial farmers. In Namibia this group benefited from the beginning, but not to the exclusion of the rural poor. Despite arguments in favour of redistribution to black commercial farmers, centring on improved food production, export-revenue earning, sustained farm employment and environmental management, land redistribution so far has been predominantly to the landless poor. The number of black commercial farmers benefiting from subsidised land redistribution have been perhaps some 400 in Zimbabwe, 300 in Namibia and none so far in South Africa, although this is set to change from 2001 as much stronger emphasis is being placed on land redistribution to blacks with a potential to become successful commercial farmers.

State intervention in the land market

Can land redistribution be achieved by encouraging landowners to offer farms for sale voluntarily, or should the government compulsorily acquire land for redistribution?

Zimbabwe, Namibia and South Africa have adopted market-assisted land reform, although Zimbabwe now seems to have abandoned it. Both Zimbabwe and Namibia have acquired farms suitable for subsequent resettlement when they became available from willing sellers. South Africa espoused a market-assisted or demand-led process whereby qualifying applicants had access to grants to purchase farms of their choice from willing sellers. This policy arose more from an aversion to the state-led resettlement and betterment programmes of the apartheid past, rather than from an ideological commitment to market economics. In South Africa post-1994 the main aim was to contribute to the alleviation of poverty and injustices caused by previous apartheid policies. The redistributive content of the programme was constrained by the government's grant conditions in the context of its willing-buyer policy (Box 2). On average, only two thirds of a R15–16,000 grant was used for land purchase since it also had to cover capital investments necessary to make the land productive. Furthermore, since 1994 the Department of Land Affairs has consistently underspent its annual land reform capital allocation, largely because of inadequate administrative capacity. Even if the policy had been based on expropriation instead of market transactions, this would have been a binding constraint. Land redistribution through due legal process is slow and administratively demanding.

Governments can intervene in the land market in several ways (Box 3). In the case of South Africa, expropriation could be a future component of a redistribution strategy to target land well-suited for resettlement of the rural poor close

Box 2 South Africa: constitutional clauses relating to expropriation and land reform

No one may be deprived of property except in terms of law of general application, and no law may permit arbitrary deprivation of property.

Property may be expropriated only in terms of law of general application:

- for a public purpose or in the public interest, and
- subject to compensation, the amount of which and the time and manner of payment of which have either been agreed to by those affected or decided and approved by a court.

For the purposes of this section:

- the public interest includes the nation's commitment to land reform, and to reforms to bring about equitable access to all South Africa's natural resources; and
- property is not limited to land.

The state must take reasonable legislative and other measures, within its available resources, to foster conditions, which enable citizens to gain access to land on an equitable basis.

A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled to the extent provided by an Act of Parliament, either to tenure which is legally secure or to comparable redress.

A person or community dispossessed of property after 19 June 1913 as a result of racially discriminatory laws or practices is entitled to the extent provided by an Act of Parliament, either to restitution of that property or to equitable redress.

Source: Section 25, Chapter 2, Bill of Rights, Act 108 of 1996

to infrastructure and alternative off-farm livelihood opportunities. However, as there is an active land market, voluntary land acquisition presents no problems when establishing qualified black farmers on the first rung of the commercial farming ladder. Namibia's Affirmative Action Loan Scheme may not meet the objective of poverty alleviation, but it is undoubtedly of importance in ameliorating racially skewed land ownership. It involves relatively low transaction costs for the government and avoids undue dependency on land holding by the state or on free government services. As the South African Constitution now stands, it requires landowners to be compensated, although not necessarily at market prices.

Implementation capacity

Inadequate government capacity for land reform is a recurring problem, not only in southern Africa. The relevant government agencies are short of skilled and experienced staff and suffer a high rate of staff turnover. Poor co-ordination between agencies responsible for resettlement and/or farmer support are a further constraint.

NGOs and academics often call for land redistribution to be simplified and accelerated. Yet its complexity in a constitutional democracy tends to be greatly underestimated

Box 1 Land tenure and redistribution in southern Africa (2000)

	Total Area (sq. km '000)	Private Freehold Leasehold (%)	Communal Tribal Customary (%)	Private land acquired for redistribution to small farmers since majority rule (ha.)	Households	Private/freehold/ leasehold land acquired (%) ⁵
South Africa	1221	72	14	821,134 ²	53,950	1.0 ⁶
Namibia	824	44	43	500,000 ³	3,400	1.4
Zimbabwe	391	41 ¹	42	3,600,000 ⁴	75,000	22.5

1 Includes small-scale farm leases and resettlement areas up to 1999, excludes commercial farms gazetted since April 2000

2 Department of Land Affairs, Annual Media Briefing, November 2000

3 Prime Minister Hage Geingob, Media Conference, Swakopmund Cabinet Retreat, The Namibian, 13.12.2000

4 Moyo (2000)

5 Excludes land acquired by commercial farmers under affirmative action programmes in Zimbabwe and Namibia

6 This figure increases to about 1.3% if the settlement of restitution claims is included

by those who have not tried it. A numerous and widely deployed army of well-trained field staff is essential to inform people of their entitlements and to facilitate the many and complex legal, financial and administrative tasks involved (Box 4). A related requirement is that of adequate land valuation, survey and public land tenure records. In the absence of these, landowners can easily frustrate land acquisition, or benefit through inflated prices (see NRP no. 6).

Adequate post-settlement support must also be provided if new farmers are to succeed. The numbers and type of field staff required will vary with the type of farming system. Where customary groups acquire private livestock farms, adjacent to communal areas, it is a simple matter to remove the fences and extend the tribal commonage. Where the use of resettled land is to be changed (e.g. from ranching to mixed farming), more support will be needed for infrastructure, land clearing and initial ploughing, as was the case with many projects in Zimbabwe in the 1980s.

The role of donors

In 2000, the events that unfolded in Zimbabwe resulted in a huge increase in interest in land reform across the region. Governments in neighbouring countries announced that land redistribution was to be greatly accelerated. At the same time, they gave undertakings that land reform would proceed according to the agreed constitutional principles that protected private property rights. In both Namibia and South Africa, there is an unbridgeable gap between the ambitious redistribution targets that have been announced and the financial and administrative resources for realising them. Throughout the region, donors are being asked to contribute to the resolution of the problem.

However, donors find it difficult to justify funding any programme that does not impact directly on poverty reduction. As argued above, there is likely to be continuing scope throughout the region for development aid to redistributive reforms that will benefit the rural poor. However, support should not be confined to land redistribution. Support to countries strengthening the rights of the rural poor through tenure reform should also be considered. The overarching rationale for assistance would be to support a more equitable distribution of land and economic opportunity and avoid agrarian conflicts, which could further disrupt the economy and civil society of the region.

Box 3 Types of land reform intervention

Legally imposed controls and prohibitions:

- These constitute direct intervention by the state in the land market: e.g. nationalisation and collectivisation; restitution and redistribution policies involving expropriation of land (with or without compensation); expropriation of portions of holdings which are above a certain size; expropriation of land parcels which are under-utilized or owned by absentee landlords and/or foreigners; and slow or sporadic redistribution policies which operate through estate duty laws ('death' duties) and land taxes.
- Inducements or 'market-assisted incentives' These are offered by the state for social and economic reasons and lead to the creation of new property rights or the restructuring of existing proprietary structures, e.g. the privatisation of state farms and collectives; the redistribution of state-owned lands; state expenditure on land reclamation and land development and subsequent redistribution as private property; direct state grants or tax concessions to purchase and/or improve private property; state sponsored credits channelled through a land bank to individuals or through farmers' co-operatives for land-reform farmers; support to institutions (statutory or non-statutory) to administer the necessary land acquisition and redistribution to land-reform farmers.

Source: Adams (2000)

Capital assistance: A perennial issue is whether donors should fund land acquisition (or the compensation of landowners). The World Bank and the EU are specifically precluded from doing so. The determination of land values is inevitably controversial. The history of land reform abounds with accounts of 'land scams' and speculation by landowners, officials and politicians. In addition to the issue of transparent land valuation is that of transparent land allocation. Donor funding of land acquisition has increased state power and patronage in ways that may be inconsistent with social and economic objectives. For these and other reasons, donor agencies have chosen to distance themselves from the land acquisition process since the immediate post-colonial situation, when the UK felt obliged to provide funds for buying out settlers in Kenya, Zimbabwe and in Swaziland. However, land settlement can amount to at least half the cost of land redistribution, (Box 4) and support for physical infrastructure and welfare facilities for settlement (such as wells, clinics, and access tracks), or for on-farm development, are potentially less controversial areas for donor assistance.

Technical assistance: Government incapacity to implement land redistribution is principally a matter of an insufficient number of adequately trained and experienced staff within the public sector (although in Zimbabwe especially, this is compounded by severe budgetary difficulties). However, technical assistance funds have already been able to encourage commercial and NGO expertise in such areas as community support, training, legal aid and business planning. South Africa's DLA has drawn upon a number of donor-financed 'facilities' to engage short-term specialist services. In effect, such support is a form of sector programme aid, although – by contrast with other sectors – there has been no attempt as yet to formally link such aid to performance targets. Foreign technical assistance has played a relatively small role in land redistribution in the region, although it has made an important contribution to the design of policies and the framing of legislation.

Land redistribution in southern Africa: country perspectives

Zimbabwe

Redistribution over the past two decades: Following Independence in 1980, Zimbabwe set a five-year target for the resettlement of 162,000 families on 9.0 million ha. (about half of the area then occupied by white-owned large-scale farms). By 1990, an impressive 3.3 million ha. had been redistributed to some 52,000 families.

Kinsey (1999) reported on a study over 15 years of 400 settler households who had received family-based arable holdings with access to communal grazing. He assessed the extent to which the welfare and poverty-reducing objectives

Box 4 Land redistribution functions

Land redistribution may require state intervention in the land market through the provision of grants and services for:

- community organising ('community facilitation' in South Africa), mediation and conflict resolution and farmer selection;
- farm and resettlement planning including obtaining the necessary development planning approvals;
- land purchase (including valuation, negotiation, land transfer);
- registration and issuing of title in favour of the land reform farmers;
- re-settlement, including the provision of physical infrastructure;
- post-settlement support services (producer co-operatives, farm credit and input supply, marketing, extension advice, etc.) to sustain resettled households in the initial years.

(Box 5) of the programme were met, concluding that Phase 1 resulted in both higher and more equally distributed incomes. Resettled households were found to crop twice the amount of land and earn more than three times the unit revenues of households in areas of origin. Values of livestock, crop production, food and non-food expenditure, and holdings of cereal stocks were all higher and more equitably distributed in the resettlement areas than in the neighbouring communal areas.

When the Lancaster House Constitution expired at the tenth independence anniversary in 1990, the government announced a new and ambitious proposal to resettle 100,000 families on 5 million ha. However, in the 1990s, only another 20,000 households were resettled on land acquired from commercial farmers. Resettlement slowed down for several reasons. Implementation capacity had been seriously eroded by institutional changes; resettlement schemes for the landless poor were being subjected to unwarranted criticism and government had difficulty in raising funds to acquire land for redistribution. Politicians responded by asserting that Zimbabwe's constitution hampered land acquisition.

The 1992 Amendment to the Constitution (No. 12:4) and the *Land Acquisition Act, 1992*, aimed to strengthen the government's hand in acquiring large-scale farms. The Act provided for a number of 'non-market' solutions, including the designation of areas for acquisition and resettlement, and government land valuation. However, the administrative resources needed for implementation, including a reliable land information system, and the resources needed to contest legal challenges from landholders, were never made available. This goes a long way in explaining why land reform effectively ceased in Zimbabwe after about 1993. In 1997, for example, compulsory acquisition of 1471 farms amounting to about four million ha. was attempted. Of these, only 109 farms were acquired, many of them offered for sale voluntarily. Most were de-listed after appeal or legal challenge.

By 2000, some 75,000 black families had been allocated about 3.6 million ha., the title to which is retained by the State. Some 400 black entrepreneurs were leasing 400,000 ha. of state land, and about 350 had bought their own farms. The area redistributed fell short by 5.0 million ha. of the target of 9.0 million set at Independence. Further, some 70% of the commercial farms acquired for resettlement were too arid and/or infertile for reliable arable farming.

Recent developments: In September 1998, the government agreed to increase transparency and fairness and to test market-assisted and community-initiated approaches in return for renewed donor support. It tabled a comprehensive draft National Land Policy with the explicit aim of ensuring equitable and socially just access to land, democratising land tenure systems and ensuring security of tenure for all forms of land holdings. Several donors (but not the UK) responded by

Box 5 Objectives of Zimbabwe's Phase 1 Land Reform and Resettlement Programme

The main aims of the programme were to:

- alleviate population pressure in the communal areas;
- extend and improve the base for productive agriculture;
- improve the level of living of the largest and poorest sector;
- provide opportunities for landless and unemployed people;
- bring abandoned or under-utilised land into full production and implement equitable land redistribution;
- to expand or improve the infrastructure of economic production; and
- to achieve national stability and progress in a country that had only recently emerged from war and turmoil.

Source: Adams, 2000

offering modest and conditional support to Zimbabwe's 'Inception Phase Framework Plan' (IPFP), which was intended to be the prelude to a larger redistribution programme.

In April 2000, following the widespread occupation of farms by peasants and others, and amendments to both the constitution and the *Land Acquisition Act*, which released government from the obligation to pay compensation, relations with donors deteriorated and they suspended their support to the IPFP.

In terms of the newly amended constitution and *Land Acquisition Act*, 2159 commercial farms (just under half the total number) were under gazettelement in September 2000. Many of these, probably 1000–1500, were subject to occupation by peasants. Other farms were being privately sold to black entrepreneurs. Thus the quantitative targets for land redistribution set at Independence are close to being achieved. However, there is no near-term prospect of putting this land under crops, so that initial resettlement objectives will remain unfulfilled (Box 5), and the country's wider economic and social fabric has been severely damaged.

The recent land seizures represent a decisive shift in the domestic balance of power between large landowners and peasants. The process is not unfamiliar in the history of land reform with many examples of reforms won by militant peasant organisations through such direct action. The pre-2000 negotiations between government and donors about the selection of beneficiaries, about demand-led versus supply-led land redistribution and willing-buyer, willing-seller transactions can now be set aside. The issue of whether development aid can be resuscitated and how it should be channelled remains unresolved.

Namibia

Redistribution over the past decade: On coming to power in 1990, the SWAPO government announced its intention of transferring land to 'the landless majority' yet agreed to a constitution in which the property of citizens could not be taken without fair compensation. Government and opposition joined in a National Conference on Land Reform in Windhoek in June 1991. In the run up to the meeting, groups representing minority ethnic interests pressed for the restitution of ancestral lands, but overlapping claims prevented agreement on this. A land redistribution programme based on need was agreed, but little progress has been made, and the claims of minorities remain unresolved (Werner, 1997).

Box 6 Resettlement schemes on redistributed land in Namibia

In August 2000, the Ministry of Agriculture, Water and Rural Development commissioned a survey of nine resettlement schemes in five regions. It concluded that:

- none of the projects were economically viable; some remain welfare schemes dependent on food rations;
- the morale, motivation and commitment of the participants was poor;
- there was little evidence of participants being involved in the planning and the actions necessary to satisfy their needs because decisions were made by MLRR officials;
- staff assigned to the projects were unsuitable in terms of their qualifications and experience;
- there was undue dependence on a limited number of foreign technical assistants;
- given access to government transport, the settlers had reasonable access to some services (health and education).

Source: Resettlement Co-operatives in Namibia: Past and Future', Ministry of Agriculture and Rural Development, Windhoek, August 2000.

Agriculturally usable land in Namibia is subdivided into the commercial farming area (approximately 36.2 million ha.) on freehold land and the so-called Communal Areas on state land (approximately 33.5 million ha.) (Box 1). The National Conference recommended that foreigners should not be allowed to own commercial farms, that absentee landlords should be expropriated and that ownership of very large farms and/or several farms by one person should cease. A Technical Committee was instructed to make recommendations for the acquisition and redistribution of such land and to assess possible forms of taxation on commercial farmland. Many of the findings of the Technical Committee were incorporated in the *Agricultural (Commercial) Land Reform Act, 1995*. It provides for the acquisition by the government of large, under-utilised and foreign-owned farms for resettlement, and grants the government the right of first refusal on farmland offered for sale. Compensation has to be at market prices. The Act provides for the imposition of a tax on agricultural land. The passing of the Act accelerated the acquisition of commercial ranches, but on a piecemeal basis, which impeded the subsequent provision of services and infrastructure (Box 6). These problems were anticipated in the research which went into the National Conference (Adams and Devitt, 1992).

In December 2000, the Prime Minister announced that 500,000 ha. had been acquired for the settlement of 3,400 households. The tenure security of settlers is weak. Settlers may have a right to use and occupy the land, but not to sell or bequeath residential and /or arable land, nor exclude others.

A prominent view at the National Conference was that freehold farms should be made available on favourable terms to black farmers. The pressure came from whites keen to recruit politically influential black farmers into their ranks; from black businessmen and government officials who aspired to own farms themselves; and from small farmers in the communal areas who resented the pressure on grazing exerted by the large herd owners. One of the first measures to be announced following the Conference was the Affirmative Action Loan Scheme, which aimed to provide full-time black farmers with access to subsidised loans repayable over 25 years. In the first nine months, 70–80 farms were reported to have changed hands under this scheme, and some 300 black farmers have been granted loans for the purchase of commercial land.

Deteriorating economic conditions in recent years mean that, coupled with the high average age of white farmers (around 55 years) and severe indebtedness, increasing numbers of freehold farms are likely to become available for redistribution in Namibia. However, the capacity of the Ministry of Lands, Resettlement and Rehabilitation (MLRR) to handle a larger programme of land purchase is seriously constrained. In the present economic climate, extensive low-input approaches are

Box 7 Namibian government plans for land redistribution

There are a number of proposals on the table to expand land redistribution. These include:

- the introduction of a land tax;
- the creation of a land acquisition and development fund to allow the roll over of funds voted by parliament for land acquisition;
- the leasing of land acquired by government in terms of the Agricultural (Commercial) Land Reform Act to farmers unable to qualify for Affirmative Action Loans;
- an expansion of the Affirmative Action Loan Scheme;
- a master plan to identify and develop water resources and other infrastructure in the unutilised and sparsely populated parts of the Communal Areas for lease to commercial farmers.

a compelling option, and these may call into question the wisdom of fencing and 'privatisation' of rangelands altogether.

Developments in Namibia post-Zimbabwe 2000: In his opening speech at the Cabinet Retreat at Swakopmund (December 2000) President Sam Nujoma said that government planned to acquire 9.5 million ha. of land for redistribution and resettlement over the next five years. For this purpose, NS1 billion (US\$ 133.3 million) would be required. Land that was not being effectively utilised would be repossessed by the government in accordance with the law. The meeting backed the establishment of a National Land Use Policy for Namibia, a land information system, and a Land Advisory Commission to manage the Land Acquisition and Development Fund. Revenue from the planned land tax, which would include higher rates for absentee landlords, would be used to acquire more land. Farms whose owners defaulted on paying tax after a period of two fiscal years would automatically become government property.

South Africa

Redistribution over the past six years: Prior to the elections, the ANC (1994) stated in its manifesto, that land reform was to redress the injustices of forced removals and the denial of access to land. Land reform was to ensure security of tenure for rural dwellers, eliminate overcrowding and supply residential and productive land to the poorest section of the rural population. It was to have three elements (restitution, redistribution and tenure reform), provided for in the Constitution. The programme was to redistribute 30% of agricultural land and to complete the adjudication of land claims within five years.

Claims for restitution by persons dispossessed after 1913 (Box 2) were lodged in terms of the *Restitution of Land Rights Act, 22 of 1994*. By the cut-off date in March 1999, 67,531 claims by groups and individuals had been lodged. About 80% of the total claims registered are urban. Yet rural claims involve a far larger number of people. Each can embrace 50–10,000 people, while each urban claim represents an individual. The bulk of claims settled to date (about 12% of the total lodged) fall into the urban category. Because the settlement of urban claims usually involves financial compensation, they are quicker to resolve. However, as they rarely involve the transfer of land to blacks, they do not address the core land issues facing South Africa – the skewed nature of ownership and racial dispossession.

The 1993 *Provision of Land and Assistance Act* provided the legal basis for a single grant mechanism to a maximum of R16,000 per household earning less than R1,500 per month to purchase land. Land redistribution took several forms (e.g. group settlement with some individual production, group

Box 8 Sources of land for redistribution in South Africa

There are two sources of farmland for redistribution:

- government land held by the DLA, of which about 800,000 ha could be available for redistribution, including the ex-South African Development Trust land, which lies outside the geographical boundaries of the former homelands;
- private land, which can be acquired for redistribution on a willing-buyer, willing-seller basis, or expropriated.

It is private land in South Africa that must provide the bulk of the area for land redistribution (see Box 1). Scope for the redistribution of state land held by the DLA is fraught with problems. Much of the land is already used and occupied by people protected under tenure laws. Likewise, state land, which lies close to or within the former homelands (excluding state land held in trust for communities), is the subject of competing claims by traditional leaders and their followers, former employees of the parastatals and farmers already allocated land on the schemes.

production, commonage schemes, on-farm settlement of farm workers and farm worker equity). Additional financial resources were provided for planning, community facilitation and dispute resolution. The process was 'demand-led'. It did not involve the prior acquisition of land by the state for subsequent resettlement. In 1999 a survey concluded that the provision had succeeded in embracing the rural poor and placing productive assets in their hands. Productive agricultural as well as non-agricultural activities were taking place. Beneficiaries had better access to services than the rural population as a whole. However, poverty levels remained high. On the basis of the study, Deininger and May (2000) concluded that the programme was contributing to both equity and efficiency and fostering sustainable growth.

However, the programme was not without its problems: transaction costs were high; the process resulted in scattered projects, often without regard to people's needs, without infrastructure or provincial or municipal plans to provide it; and the small size of the land reform grant encouraged people to form dysfunctional groups to purchase land in order to raise the sum necessary to meet the asking price for the land.

Some 820,000 ha. have been approved to date for transfer under the existing land redistribution programme with about 685,000 ha. transferred to the beneficiaries. If delivery continues at the current rate, only 4.6% of the private agricultural land in South Africa will have been distributed by 2015. Capital expenditure to date for land acquisition, development and financial compensation is approximately R1.1 bn by contrast with some R18 bn under the country's housing programme. The Department of Land Affairs has consistently under-spent its annual land reform capital allocation, largely because of inadequate administrative capacity.

Developments in South Africa: In February 2000, the new Minister for Agriculture and Land Affairs revealed her vision for land reform and lifted her earlier moratorium on redistribution. The most significant changes were made to the redistribution programme, which is to be known as the Land Reform and Agricultural Development Programme (LRAD) (Box 9), and will start in April 2001.

These new directions were announced very shortly before the Zimbabwe land crisis in March and April 2000. These stimulated a huge increase in interest in land reform in South Africa and drew attention to the limitations of the market-

assisted strategy. Senior politicians stated that land reform had to be greatly accelerated but at the same time, land invasions would not be tolerated. The Minister of Agriculture and Land Affairs announced that 15 million hectares would be redistributed in the next five years. The Department of Agriculture plans indicated that 30% of agricultural land would be redistributed in the next 15–20 years. This represents twenty times the previous rate of redistribution. The dilemma for government is that the fundamental administrative constraints that have hampered land redistribution remain in place.

The extent to which the LRAD programme will significantly increase the rate of land transfer is difficult to predict as the potential for black commercial farming is not only constrained by access to land: there remain formidable barriers to entry into the white-dominated commercial agricultural sector which has evolved with strong government support over some seventy years. However, the indications from both Zimbabwe and Namibia are that the new programme to get black commercial farmers on the first rung of the ladder will pick up slowly and will remain a small, yet significant, component of the redistribution programme. One lesson from attempts to transform land tenure in Africa over the last forty years is that wide departures from existing systems are rarely immediately feasible: evolutionary approaches are slow but, as Zimbabwe demonstrated in 2000, revolutionary approaches generate high social and economic costs.

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Box 9 South Africa's Land Reform and Agricultural Development Programme (LRAD)

The aims of LRAD are to:

- provide grants to black South Africans to obtain land specifically for agriculture with a view to contributing to the redistribution of 30% of private land over 15 years;
- improving nutrition and income of those who choose to farm;
- reducing overcrowding in the former homeland areas and expanding opportunities for rural people.

Beneficiaries will be able to access a grant ranging between R20,000 and R100,000 per individual adult, depending on the amount of their own contribution in kind, labour and/or cash, which must be at least R5,000.

The LRAD is to be financed out of capital budget of the Department of Land Affairs and a provincial grants committee will disburse money. The document notes that if there are 250,000 applicants for a range of grant sizes, the cost will be in the range of R16–22 billion (excluding the costs of agricultural support). The programme is demand led with primary responsibility for design and implementation resting with the applicants.

Source: LRAD Final Draft Document Version 3, Ministry for Agriculture and Land Affairs, South Africa, December, 2000.

Martin Adams (ODI Research Associate) and John Howell (ODI Senior Research Fellow) are both currently on long-term DFID contracts in South Africa. Neither the Department of Land Affairs nor the Ministry for Agriculture and Land Affairs nor DFID itself is responsible for the contents of the paper. Email: m.adams@mweb.co.za

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