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Hubert Cochet, Ward Anseeuw

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# 11 *Ambiguities, limits and failures of South Africa's agrarian reform*

Hubert Cochet and Ward Anseeuw

## *South African agrarian reform: Contrasted surveys 'from the bottom'*

On the one hand, the previous chapters have shown the significant diversity of existing agricultural production systems structuring the agricultural sector in today's South Africa. On the other hand, as this diversity still in many ways follows racial lines, these chapters also emphasise the strong legacy of the country's socio-economic and political systems.

Changes did occur, however, and were often related to predominantly the land, as well as some agrarian, reform programmes implemented over almost two decades. The extent of these changes, however, requires further analysis to assess the effectiveness of South Africa's agrarian transformation. Have the country's transformations allowed for more equitable access to productive resources and distribution of revenues and wealth created by agriculture? This chapter will dig deeper into the land reform projects and agrarian reform cases from the different regions assessed within the framework of this book. The analyses will focus on the structural changes embedded in the country's broader agrarian transformation. As such, based on the case studies presented (Chapters 4 to 9), they will not present another evaluation of land reform projects, but will complement the land reform literature (presented in Chapter 3) by embedding them within broader agrarian assessments.

### *Brits and Hazyview: Known examples of failed restitution programmes*

The following examples, which concern the studied areas mentioned in Chapters 4 to 9, illustrate the difficulties encountered by the land restitution process, which had come to an end before it was reopened in 2014.

*Land claim and restitution on the irrigated perimeter of Hartbeespoort (Brits region, North West province – see Chapter 9)*

In 1998, the Bakwena Ba Mogopa community, located in Bethanie, submitted a land claim concerning over 9 000 mainly irrigated hectares in the Hartbeespoort area on the Crocodile River, a claim that was approved by the government in 2004 as part of the land restitution programme. In 2011, out of the 9 367 ha claimed by

this community, around 4 000 ha had been effectively restituted. The claim on the remaining hectares came to nothing – these comprise gabbro and norite quarries, considered to be too valuable; lands belonging to the Magalies Citrus Factory; plots which owners refused to sell and/or for which owners challenged the legitimacy of the claims submitted.

Administered in the name of the tribal authorities by the Communal Property Association (CPA), the lands effectively restituted were then rented out for a symbolic rent of R500/month (€45/year) for areas of 10 to 20 ha (whether or not irrigable),<sup>1</sup> with the one- to five-year leases being renewable and possibly transmissible to heirs. The beneficiaries were selected (according to criteria that were not always clear) from a long list of applicants: only 80 to 90 of the 843 applications validated by the CPA were selected and supposedly received lands.

According to CPA officials interviewed, lands were allocated by taking into account the project of each applicant. However, observations carried out on the sections of the irrigated area affected by the restitution process and the interviews conducted in 2011 made it possible to obtain a glimpse of the actual conditions under which land restitution took place, and under which beneficiaries entered into possession of such lands.

Although the government's purchase of farms affected by the restitution process is supposed to include buildings, irrigation and drainage infrastructure, fences and equipment, in reality transfer is most often reduced to only a land transfer. Indeed, in the majority of cases, the farmers willing to sell their property managed to remove their equipment before selling so that, at the time of the transfer, the farm was devoid of most of its equipment. Moreover, the time it takes to bring the process to a successful conclusion, the vagueness felt by many as to what would happen to the land and the fact that former owners abandon their farmhouses, have given free rein to an outburst of looting, leading to farmhouses being pulled to pieces before CPA-designated beneficiaries have the means to prevent this from happening or to protect/monitor their newly acquired properties. Anything that can be taken away and resold, including fences, electrical installations (meters, wires, switches and telephone cables), irrigation installations (pivoting irrigation pipes, pumps) and objects from the actual dwellings (air conditioning systems, sinks, bathtubs, roofing material, door and window frames) seems to have been dismantled and removed. As a result, certain sections of the irrigated area where the restitution process was brought to a successful conclusion are made up of abandoned farmhouses, stripped down over time, isolated in the middle of plots lying fallow, with pivoting irrigation lines here and there, or what remains of them (Photograph 11.1).

Where other, less destructive processes are observed, these have resulted because land restitution to the original communities was only a matter of formality, and because the actual farming operations remained in the hands of the former owners. Some seem to have negotiated with the CPA the right to rent their former property

Photograph 11.1 Agrarian reform landscape on the irrigated area of Hartbeespoort



Source: Hubert Cochet, 2011

(or part of it), after it was bought from them by the state within the framework of the restitution process. This can then represent a temporary solution, making it possible to prevent farmhouses from being looted, or an intermediate solution to ensure an income or constitute an investment capital, although there is still a risk that the whole exercise is a step backwards, with the payment of a land rent to the 'beneficiary' community. In this case, the former owner should pay a higher rent, since it is not just the land that is being rented, but the entire farm, including the buildings and equipment.<sup>2</sup>

Sometimes, other white farmers who are not affected by the restitution process (or perhaps as in the previous case, who have sold their farms) offer their services to beneficiaries of the land restitution process, taking over the entire farm as third parties (with the specific terms and conditions of the arrangement still to be cleared up). One of them even supposedly offered to repair the pivoting irrigation system and related installations at his expense, perhaps in the hope of perpetuating lasting control over the farm.<sup>3</sup> An arrangement of this type apparently took place directly

between a white farmer from the area (or even the actual expropriated owner) and the CPA, while waiting for the final resolution of the land restitution claim.

According to interviews conducted by Rémy and Clerc, it would seem that, in 2011, out of the 80 to 90 farmers who benefited from the restitution process, barely one dozen are apparently farming the land efficiently and directly, which of course leaves one perplexed.

As noted, this irrigated area is characterised in particular by the presence of motomechanised farms, specialised in field-scale horticultural production, with crops intended for the large markets of Johannesburg and Pretoria (see Chapter 9). Despite land restitutions taking place in the irrigated area, none of the actual beneficiaries of the process has managed to implement such a production system, for lack of means. The few beneficiaries of the agrarian reform who are currently farming the land received instead practise a production system based on the cultivation of wheat and soya, which requires much less seed money. A large part of the work is subcontracted to agricultural service companies, with the marketing of the crop being undertaken through the MGK (former cooperative, now privatised) group, making it easier to sell.

As such, while they are unable to establish labour- and capital-intensive vegetable-growing systems, the beneficiaries of the land restitution process must 'rely' on large-scale irrigated cropping systems (wheat/soya) with all or part of the crop management sequence being subcontracted to agricultural service companies. As a result, the number of jobs created or protected per hectare is low (1 labourer/10 ha maximum, particularly as regards manual irrigation) and the value added per unit area is ten times less (R7 200–R9 600/ha, the equivalent of €600–€800).<sup>4</sup>

*Kiepersol, region of Hazyview (Mpumalanga – see Chapter 5)*

In Kiepersol, a region of irrigated fruit arboriculture producing bananas, macadamia, avocado, citrus and litchis, although practically all the land owned by white farmers is the subject of a land claim, the latter do not seem too concerned: irrigation infrastructures are being multiplied (private compensating and storage reservoirs), farms are increasing in size and farmers continue to invest (construction of new packing stations, renewal of plantations) (Regourd 2012). Only one 450 ha banana farm was actually restituted in Burgher's Hall, in the south of the Kiepersol area. Concerning the other properties subject to a land claim, either the procedure has been blocked due to administrative constraints, or the potential beneficiary communities have not managed to prove that they occupied the land in the past and were displaced as a result of the various racial laws established by the apartheid regime. Despite the fact that land claims have been ongoing for more than ten years, the current owners consider themselves safe from the restitution process and continue to invest in their farms (Regourd 2012).

The only farm affected by the process was restituted in 2000 to the Giba community. However, the R95 million which the government supposedly gave to the community in question to continue farming and maintaining the banana plantation was dedicated to other uses,<sup>5</sup> and so production collapsed rapidly. The farm equipment was stolen and the land lay fallow. The restitution of this farm was therefore a failure and the land is shortly going to be rented out to a private investor from Komatipoort, more than 150 km away.

*The irrigated area of Jacobsdal on the high central plateau and the poor results of the redistribution programmes (see Chapter 8)*

In the region of Jacobsdal (Letsemeng Municipality, Free State), no land claim has been lodged given that the region was not very populated when the Afrikaner settlers took possession of the land at the time of Kimberley's first diamond boom. On the other hand, this region offers several interesting examples of agricultural land transfers carried out within the framework of redistribution programmes.

These programmes only affected a very small surface area and concerned a small number of beneficiary families: ten cases of land redistribution altogether, concerning four families and six groups (Chapter 8). The state bought affected farms from white farmers who were willing to part with them owing to financial problems or to the fact that they were retiring. State lands were also affected by this redistribution programme, alongside the perimeter and where irrigation had never been installed because the soils were too stony and not cultivable. The land redistributed was, therefore, generally that which was less suitable for agriculture (Arrazat & Périnelle 2012).<sup>6</sup>

*Accessing grazing lands to establish small, extensive animal production via the Settlement/Land Acquisition Grant*

The first example concerns fifty-nine families living in the Ritchie housing estate who, in 1996, acquired a farm of 1 522 ha with no irrigation through the Settlement/Land Acquisition Grant (SLAG). A trust was constituted to jointly manage this fund; the purchase of the farm included land, infrastructure and cattle. The stocking capacity being low, each family obtained one cow and her calf, with no possibility to expand. Today, the entire infrastructure has either deteriorated or been stolen. To date, only eight people still have animals, each having between three and ten head of cattle.

*Limited access to lands of the irrigated area via Land Redistribution for Agricultural Development*

Irrigated farms were also redistributed through the Land Redistribution for Agricultural Development (LRAD) programme, to groups of three to thirteen



members. In this case, the surface area per beneficiary varied from 1.3 to 17 ha. Among these cases of land redistribution, one type has been characterised in detail by Arrazat and Périnelle (Chapter 8, PS8).

It concerns a group of thirteen beneficiaries who collectively developed a farm redistributed within the framework of the LRAD programme. The group grows alfalfa under irrigation, specialises in viticulture and pig fattening and does sheep production on a small scale. The irrigated surface area per labourer is 1.5 ha. Thanks to the subsidy they received for the farm, the beneficiaries were able to buy a small tractor, a reaper and a baler, enabling them to cut the alfalfa themselves. As such, alfalfa is chosen as a crop because it can be harvested with fairly cheap equipment and irrigated using gravity and flooding, which requires little investment. Moreover, alfalfa is sown only once every seven years, which is an advantage compared to annual crops insofar as this operation, which must be carried out by agricultural service companies, represents important costs. Finally, alfalfa makes it possible to earn a regular income with seven annual sales.

The sections of the farm which are too stony to set up a pivoting irrigation system for cereal, or to grow alfalfa, were planted with vines within the framework of a recent government project. The state subsidises the plantation of vines (4 ha). Pruning and harvesting can be carried out by hand by the thirteen beneficiaries.

Because only a small surface area per beneficiary is irrigated, they decided to intensify their production system through pig farming. This type of animal livestock production is interesting in that it takes up little space and the costs are relatively low. Also, the piglets can be sold informally in the area. The non-irrigable sections of the farm, which represent 60 ha, can only sustain grazing for eighteen ewes (Chapter 8).

Despite the relatively high productivity per hectare, and considering the low surface/labourer rate, this production system only brings in a low agricultural income per beneficiary, in the region of R25 000/labourer. However, it is clearly higher than that of families that did not benefit from a redistribution programme. This rather encouraging result is linked to the fact that the livestock–crop operation set up by this collective of beneficiaries makes it possible to limit the costs and to labour-intensify the production system, while making the best of the labour force of the beneficiaries throughout the year. Furthermore, this example illustrates a real case of land redistribution rather than the mere transfer of a company to the benefit of a black farmer. Instead, it entails the establishment of a small production cooperative in which the entire value added is distributed to the members of the group in the form of income.

In contrast, the dominant production systems in the region, which are based on the cultivation of maize and winter cereals under pivoting irrigation, generate high costs and require more powerful motomechanised equipment. Moreover, they only use the labour force during the peak periods of the cropping schedule. That is why, in the other cases of redistribution carried out in the region, the beneficiaries did not

have the means to cultivate the allocated surface areas themselves. Part of the farm is then leased to another farmer in the area. Sometimes the beneficiaries lease their pivoting irrigation system to farmers who have the right equipment and who have access to seasonal credits. In Figure 8.19 (Chapter 8), we calculate the extremely limited nature of land redistribution carried out in the Jacobsdal area, the peripheral position of the lands involved, and the importance of land retrocessions carried out by the beneficiaries due to lack of capital.

*Access to farmland via lease on land (Pro-Active Land Acquisition Strategy)*

Other farmers have benefited from the Pro-Active Land Acquisition Strategy (PLAS). These beneficiaries lease their land during the first five years. Within the framework of the Recapitalisation and Development Programme (RECAP, or RADP), they benefit from an additional recapitalisation programme from the very first year. In the Jacobsdal area, Arrazat and Périnelle (Chapter 8, PS9) have described the following system: the typical farm follows the dominant model in the area, with maize and wheat cropping over one year, with a rotation of alfalfa. The level of equipment does not make it possible to undertake large cultivation operations, such as sowing and harvesting cereals and mowing alfalfa. These operations must therefore be subcontracted, thereby increasing production costs. With only a small surface area at its disposal, this type of farm intensifies production by fattening sheep, using the cereals and alfalfa produced on the farm. The labour force is made up of family members and salaried employees. Among all reform beneficiaries, these farms are the least dependent on state aid and on 'commercial' farmers. Decision-making is individual, thereby avoiding many conflicts. The farm income cleared is then sizeable in comparison with the possibilities offered to 'historically disadvantaged' populations, being in the region of R160 000/labourer/year (around €13 500).

Another beneficiary of the PLAS programme was interviewed by Arrazat and Périnelle. He managed to obtain 1 185 ha of land, with 250 ha already under irrigation. At this stage, he has proposed a recapitalisation programme within the framework of the RADP programme, which includes the installation of a cheese dairy with a view to processing the milk he intends to produce. He would also like to integrate agricultural training aimed at making small-scale farmers more autonomous. Moreover, while he is politically involved, which might have helped him to obtain his land, he is also a member of the African Farmers' Association of South Africa (Arrazat & Périnelle 2012).

Finally, a meeting was held with a market-oriented horticultural producer who, thanks to a redistribution programme, was able to acquire about one hundred hectares, ten of which are irrigated. He produces vegetables on 4 ha, as well as oats, alfalfa and maize on 6 ha to feed his animals (pigs and cows). Irrigation is by flooding and the labour force is exclusively made up of family members. He does not own any equipment for the time being. His production is sold directly



to the residents of the area. However, he cannot increase his prices because he has to compete directly with the supermarket in Jacobsdal. He endeavours to keep his production costs to a minimum by using the manure from his animals to fertilise his fields, so as to generate greater value added. However, his situation remains delicate and his income low.

***Sugar regions of KwaZulu-Natal: Redistribution of a (small) portion of land if beneficiaries produce sugar***

The Sezela sugar region (KwaZulu-Natal), as studied by Sophie Bièque and Nadège Kippeurt in 2012, is mainly dominated by the large plantations stemming from British colonisation at the end of the 19th century, and from a land and industrial concentration that has been developing since then (Bièque & Kippeurt 2012). In Sezela, it is the Illovo company (an agro-industrial company held in majority by a United Kingdom company, British Foods), one of the largest in the sector, which dominates the region. Up until 1997, it owned more than 12 000 ha, of which 8 200 were planted with sugar cane. Other very large capitalist, managerial, family business-type farms, together with Illovo, dominate the regional landscape (Chapter 7).

*Proactive redistribution by Illovo*

The somewhat different outcomes of the agrarian reform process in the region have resulted from Illovo's anticipatory strategy. The company did not wait for the arrival of the agrarian reform to dispose of some of its farms and withdraw from its absolute control of the subsidiary Sezela sugar mill.

As seen in Chapter 7, Illovo was able to anticipate the agrarian reform by selling some of its plantations (three out of seven, totalling around 3 000 ha), which until then were under the direct management of the Sezela sugar mill. Three other units were later the subject of agrarian reform programmes:

- The first three plantations were each divided into a dozen farms of 100 to 500 ha. The sale involved the land, the standing sugar cane and one house, as well as dormitories for the sugar cane cutters. The equipment was not included in the sale as it had previously been sold by Illovo. The workshop for the maintenance of the equipment was supposed to be used jointly by all the new planters, with costs shared equally or in proportion to the sugar cane tonnage of each planter. When purchasing, each buyer was to pay 10 per cent of the total, and the balance was to be paid utilising a twenty-year loan obtained from Ithala Bank.<sup>7</sup> Moreover, buyers were to sign a cane supply agreement with Illovo, that is, a contract committing them to deliver their entire sugar cane production to Illovo for twenty years, and to keep at least 90 per cent of the initial surface area under sugar cane. Of note is that, until 2010, these new freehold growers (NFGs) had not benefited from any government aid, since these transactions were implemented outside the official agrarian reform programme (Bièque & Kippeurt 2012).<sup>8</sup>

- One of the former Illovo farms was subdivided into eleven farms of 100 to 400 ha each. Each farm was redistributed to a beneficiary selected by Illovo on the basis of criteria taking into account farming experience and place of residence, as well as the amount of initial capital brought in by the buyer (within the framework of LRAD).
- Finally, within the framework of PLAS, in 2007 the government bought a farm (Beneeva) of 1 800 ha, including 1 200 ha of sugar cane, from Illovo, with a view to leasing it, as is, to a limited liability proprietary company comprising four shareholders (one trust representing permanent employees and three companies representing three families).<sup>9</sup>

In the end, these five farms which had belonged to the sugar company were sold (with or without subdivision), leading to the establishment of forty-three black planters, beneficiaries of the agrarian reform (see Chapter 7, Figure 7.6).

### *Dynamics*

The future of these different categories of planters and the current state of their farms has been described in detail in Chapter 7. Of note is the fact that among the new planters who acquired a piece of the former Illovo farms, many encountered sometimes insurmountable difficulties. Owing to lack of capital or farming experience, some beneficiaries could not withstand the increase in farm input prices, as occurred during the 2000s, and are no longer active today, their farms having been bought out by other beneficiaries. Moreover, in this category, some do not actually farm their own lands and have leased them to other (white) farmers. As such, out of the forty-two initial buyers, only thirty-one beneficiary farmers remain today. On the other hand, beneficiaries of the agrarian reform who had access to more capital (e.g. because they were employed in teaching or similar positions) chose diversification and began with small-scale cattle farming. The beneficiaries going in this direction are those whose farms include a fairly significant proportion of natural areas that could not be recycled into sugar cane plantations. Finally, those who had privileged access to capital (e.g. due to external work or relations with the government that made it easier for them to access financial aid) are developing their farms and rapidly moving towards the production systems of private white planters who have been established for more than a century. This is the case of those who created the Beneeva company through PLAS.

Considering the failure of some of the beneficiaries who bought out one of Illovo's former farms, the government seems to be favouring PLAS for the acquisition and leasing of farms (like Beneeva). Nonetheless, Beneeva has been transferred with no subdivision to a restricted number of beneficiaries who replicate the capitalist operation of the farm. Under this form, the new agrarian reform programme seems to aim rather at transferring a property from a white person to one or several black persons, with no actual land redistribution and without questioning the production model. Moreover, the beneficiaries are only leaseholders of the farm, and are

subject to a supply agreement with the sugar company.<sup>10</sup> This throws into doubt the accountability, capacity building or empowerment of the beneficiaries. Then again, to be in charge of such a farm with a large capital endowment (equipment and plantations) – which, at the time of transfer, is not always in a good state from an agronomic and a technical point of view (old sugar cane and equipment) – requires an investment capacity which only a small black elite can afford.

*Communities benefiting from restitution programmes, trapped in sugar cane monoproduction*

Bièque and Kippeurt (2012; Chapter 7) have identified three cases of restitution in the region of Sezela. The first two differ in size and in the agronomic state of the farm at the time of restitution. In the first case (PS5), the plantation extends over 565 ha and the sugar cane is not old. The farm also has a forest plantation. The second one (PS6), on the other hand, received the restitution of a 50 ha plantation in a bad state, with only 19 ha of sugar cane that turned out to be very old. In the third case (PS1), the beneficiary community could not manage the farm and leased it out for ten years to its former owner.<sup>11</sup>

These property transfers, with no subdivision and with the obligation to continue growing sugar cane (and sometimes eucalyptus), were executed according to very restrictive terms and conditions. The obligation took on the form of a cane supply agreement concluded with Illovo.<sup>12</sup> In order to ensure that the transferred farm would have enough money to respect the crop management sequence imposed by the sugar company, Illovo withheld an amount of around R130/ton, calculated on the basis of a production cost/ha–gross output/ha ratio. Finally, in order to make access to credit possible, the sugar company established partnerships with banks in which the value of the cane supply serves as guarantee.

The case of the community of Mbelu is a good illustration of the impasse which South African agrarian reform has reached. Yet, this community is among those that benefited from the land restitution process under the best possible conditions: the sugar cane plantations (565 ha) were productive, a large part having been renewed shortly before, and the eucalyptus plantations (80 ha) were coming to maturity (Chapter 7, PS5). The sale of timber during the first four years enabled the beneficiaries to acquire necessary equipment; usually, beneficiaries are seriously handicapped by the lack of such equipment. But the compulsory processes of the company authorised to manage the farm on behalf of the trust (which cannot do it directly), and the conflicts of interest that inevitably arose between these two entities, seriously threaten the continuity of the farm. Indeed, the members of the trust have been accusing the company of lacking transparency in managing the farm, and do not believe the company when it asserts that the farm is not clearing any profit, a reason that would justify the lack of money that should otherwise be coming to the trust at the end of the year. The remuneration of the company's directors, which is

considered too high since some have other jobs, puts strain on the results and is apparently one of the causes of the existing tensions (Bièque & Kippeurt 2012).<sup>13</sup>

Also, it appears as if the company which took over the restituted farm is working more to ensure comfortable salaries for the directors (who are not members of the community of beneficiaries) than the payment of dividends to the beneficiary community.

Moreover, the trust representing the Mbelu community has applied to benefit from the RECAP programme, with a view to replanting sugar cane and acquiring equipment to harvest the cane, such as tractors, trailers and loaders.

The community of Braemar was less lucky: the 50 ha restituted included only 19 ha of sugar cane, which was in a bad state. Another handicap for developing this farm was the absence of equipment and the lack of qualified members in the community, which made resorting to an agricultural service company unavoidable.

In 2010, within the framework of the Comprehensive Agricultural Support Programme (CASP), the Department of Agriculture granted a subsidy of R300 000 to the trust to help rehabilitate the farm. The money was deposited into a dedicated account of the sugar company, and led to the replanting of 8 ha in 2010 and 8.7 ha in 2011, based on a replanting cost of R18 000/ha. Today, as a result, the surface area of the sugar cane is 35 ha (Chapter 7, PS6).

In practice, the agricultural service company takes care of the replanting, and its services are settled directly by Illovo using money from the CASP subsidy. The agricultural service company carries out all the work and directly buys fertilisers and herbicides, still using Illovo's account. On each delivery of sugar cane, Illovo withholds the amount due to the agricultural service company from the gross income from the supply and pays it directly to the service company for cutting the cane. Reimbursing the purchase of farm inputs and paying for all the cutting operations is done from the money available in the farm's withholding fund.

There are few spin-offs from cane farming for the beneficiary community. The whole production process is beyond its control, and the few jobs created (one manager, who is a family member of one of the trust members; one full-time security guard; fifteen women employed on a seasonal basis for weeding and clearing firebreaks) do not automatically constitute a net profit compared to the situation that prevailed before the restitution.

In order to deal with the lack of initial qualifications of community members in the agricultural domain, Illovo, preoccupied with maintaining its supply of sugar cane, established a tutorial system based on voluntary participation. In exchange for remuneration from Illovo, based on the tonnage delivered by the farm, the (white) tutor is responsible for advising the farm manager, and for assisting him or her in carrying out the cultivation operations. However, in practice, the tutor is very often

the agricultural service company. How could this self-serving agenda actually lead to the progressive empowerment of the beneficiaries of the agrarian reform?

In the two cases studied, the existence of a supply agreement with Illovo, the outlet security procured by the sugar company, the prospect of benefiting from government support intended for sugar cane planters, as well as the facilities offered by Illovo to planters who do not have equipment or capital at their disposal, constitute the many factors impelling the beneficiaries of the restitution process to pursue the cultivation of sugar cane. Yet, this apparent support has the pernicious effect of keeping planters permanently indebted to the sugar company. In the two cases studied, not only does the restituted farm seem to be caught up in a system compelling it to produce sugar cane, despite all the handicaps (lack of experience, skills and capital), but the beneficiary community also does not benefit from the situation. Believing, or being forced to believe, that they share a common interest with Illovo, the beneficiaries of restitution programmes find themselves trapped in sugar cane monoproduction. This is to the detriment of a diversified production system that, by creating more jobs and value added per unit area, would be far more in keeping with their interests.

#### *Quantitative review on sugar cane*

In Chapter 7 (Figure 7.20), Bièque and Kippeurt examine where the Sezela sugar mill obtained its sugar cane from at the end of the agrarian reform process. In terms of production, the private white planters and the plantations belonging directly to Illovo provide 74 per cent of the sugar cane delivered to Sezela, while the new black freehold growers only provide 18 per cent.

As such, the rate of sugar cane provision of 18 per cent and the more important proportion of surface areas actually distributed (productivity being lower) are not insignificant. These suggest that the sugar-producing regions are perhaps those where the agrarian reform process has achieved results which are not negligible in quantitative terms, and which are clearly of more consequence than the 5 to 6 per cent which can be seen nationally. However, an analysis of the conditions under which these sugar cane plantation transfers took place clearly shows the limits of this process in terms of beneficiary numbers, which are extremely reduced, and in terms of the consequences of being trapped in a sugar cane production system that offers no definite way out.

#### *Citrus plantations of the Kat River: A mixed example of company transfer*

In this case, there was no agrarian reform and therefore no restitution process, admittedly because the non-stop movement of populations during the 19th (frontier wars) and 20th centuries (different stages of the constitution and consolidation of the bantustan of Ciskei) had erased the necessary evidence of any former occupation to serve as the basis for this type of claim. In addition, there was no land allocation procedure according to the other mechanisms provided for by the South

African agrarian legislation. In the Kat River Valley, paradoxically, it was when the 'independent' government of Ciskei was in power that agrarian reform seemed to unfold. With the change in political regime following the advent of democracy, the allocation of lands to the collaborators of the former Ciskei regime (through the 'agrarian reform' established by the government of Ciskei) was challenged. Measures were established which were meant to favour the revival of citrus production, following a model which is not very different from that established under the supervision of the Illovo company in KwaZulu-Natal.

The puppet government of Ciskei entrusted Ulimicor with supervising the beneficiaries of the programmes, after the privatisation of plantations previously under the direct management of this organisation. Ulimicor continued to give significant support to the farmers in technical, administrative and financial terms, until it was dismantled in 1997 within the framework of the national policy for the liberalisation of agriculture (Chapter 6).

These farmers have been assisted since 2006 by private packing companies and by the Riverside company in particular. These companies offer technical advice and help with the administrative management of the farm. Riverside sometimes also offers finance for buying the farm inputs needed for production. Assistance includes obtaining long-term loans subsidised by a governmental development organisation. Moreover, Riverside intervened as intermediary between planters and the Industrial Development Corporation (IDC) to obtain subsidised loans aimed at boosting production (Quinquet de Monjour & Busnel 2012). Riverside managers assume the role of mentors within the framework of the agricultural black economic empowerment policy (AgriBEE).

Patrick Quinquet de Monjour and Jérôme Busnel (2012) identified three categories of black planters who benefited from these land transfer programmes prior to 1994. Some of these farms (Chapter 6, PS5) remained productive until Ulimicor withdrew. Thereafter, production fell sharply and farmers were no longer able to renew their orchards or their equipment.

As noted in Chapter 6 (Figure 6.12), the sizes of the orchards on this type of farm today vary between 12 and 25 ha under irrigation. Added to this are the shrub savannah grazing lands of the surroundings to which planters have access, as did the communities of former farm workers who stayed on after the white planters left in 1980 (pursuant to the consolidation of the Ciskei). The farmers graze their herds there (around 50 sheep or goats, a figure which is variable according to the year and the sales). Only one family member works on these farms; usually it is the person who was chosen by Ulimicor at the end of the 1980s for privatising the farm. The number of permanent employees varies between four and six, and a dozen day labourers are used for six months of the year. During the harvest, a team of fifty seasonal workers is employed. The level of equipment on these farms remains low (e.g. two tractors, trailers, crop duster), typically bought second-hand around 1990



during the takeover of the farm. This leads to frequent breakdowns, preventing the farm from running smoothly as well as decreasing production quality and financial results (Quinquet de Monjour & Busnel 2012). The productivity of each planted hectare (value added/ha) is R12 800/ha, that is, 3.5 times less than that of properly equipped farms (R42 100/ha). Labour productivity is low, in the region of R15 000/labourer (seven times less than that of the large, well-equipped farms of the region). The farm income, in the region of R50 000/labourer, is forty times less than that of well-equipped farms.

Other plantations were leased to close relatives of members of the Ciskei government for whom agriculture did not represent the main source of income. After the withdrawal of Ulimicor, these farmers were little involved in the running of the farms; production stopped completely, trees were abandoned and the equipment sold. These farms have benefited since 2008 from the same type of support from the Riverside company, but the management of the farm is subcontracted entirely to the company. As such, Riverside supplies services on these farms, employing its own labour force and using its own materials. All decisions concerning the management of the productive orchards are taken by Riverside, with the owners being consulted only for decisions concerning investments (e.g. planting new orchards, renewal of irrigation equipment). Moreover, owners have taken out loans directly from Riverside to finance the acquisition of irrigation pumps and pipes that were stolen or damaged after 1997. The main part of the value added created on this type of farm remains in the hands of Riverside and its salaried employees. The owners are being paid only a monthly sum by the company, which can be likened to a rent, *de facto* expressing some sort of leasing situation.

A third type of farm was also transferred to black farmers at the end of the 1980s during the consolidation of Ciskei, but these did not include any orchards. Today, two of these farms are managed by communities of former farm workers who remained on site after the white farmers were expropriated.

Riverside supported these farmers from 2006 onwards by helping them to obtain title deeds and a plantation loan with the IDC. The loan was to be used for planting orchards, installing irrigation infrastructure and cultivating the land for ten years, depending on the plantation. Riverside also plays the role of mentor to these farmers and manages the IDC loan. In practice, the mentor delegated by Riverside is behind all the decisions taken regarding the plantations, with the farmers' participation in the production decisions being minor. Riverside operates mainly as an agricultural service company, where services are invoiced on an hourly charge rate, as in the case of the other types of farms discussed earlier (Quinquet de Monjour & Busnel 2012).

The efficiency of the production process leaves much to be desired, with the results of this type of structure remaining well below those obtained by farms managed directly by their owners. The general surface area of orchards has been on the increase since 2008 in the upstream section of the valley (that which was integrated

into Ciskei). It would seem that collaboration between the packing companies and the planters is improving, thanks to mentoring and to the administrative and technical support offered by the packing companies. As such, these farms are likely, in the future, to represent a growing proportion of the valley's citrus production, and to acquire more weight with the packing companies. Their bargaining power should also increase around the issue of water access. It would seem that Riverside, the largest citrus farm in the valley, has wanted to see black planters being more involved in the decisions taken at the level of the packing company. However, since this company has recently been bought out by a Spanish fruit marketing company, its management could change (Quinquet de Monjour & Busnel 2012).

The almost complete delegation of the production process to Riverside, which is concerned above all with increasing the supply for its packing and conditioning equipment, has also led to dispossessing black planters entirely of any production management or initiative, thereby transforming them into a form of land annuitant. Moreover, since these farmers have taken out loans with the IDC, they are linked to packing companies through contracts stipulating that these loans must be used only for setting up irrigated orchards. Just as with the sugar production situation in KwaZulu-Natal, the farmers see themselves as trapped into one specialised production system which is entirely controlled by 'historical' actors.

It is of concern that, although future public support, and the RECAP programme in particular, enables farmers to have more efficient equipment at their disposal and to plant new orchards, this will contribute to them going deeper into the development model chosen from within the rigid framework of South African agrarian reform, rather than allowing them to explore other avenues.

### *In Limpopo province*

This region, which was studied in 2009 by Maud Anjuère and Mathieu Boche (Chapter 4), offers almost no example of agrarian reform, whether in the form of restitution or redistribution. These authors wrote:

In our study area, only 4 farms were redistributed. These farms, which extend over one hundred hectares or so, were redistributed to farmer collectives made up of between 4 and 8 members, who were often civil servants of the former government of the Bantustan of Gazankulu. These collectives were rapidly dismantled and, today, each one of these farms is in the hands of one family only. In this case, redistribution was a simple change of ownership, i.e. from a white owner to a member of the country's black majority. At best, the production systems set up are the same as those prevailing in the past (mango production and cattle farming) and, as such, redistribution did not create jobs or additional wealth. In cases where the new owner did not have the technical and financial means to manage the farm, it was simply abandoned ... Therefore, redistribution

did not change anything for the great majority of citizens working as farm employees. (Anjuère & Boche 2009: 110)

The research work conducted by Ward Anseeuw and Ntombifuthi Mathebula (2008) in Limpopo province (Mole-Mole Municipality) led to similar conclusions. Although this municipality saw the emergence of forty-two agrarian reform projects affecting thirty-nine farms held by white farmers (with six restitution files and thirty-six redistribution projects, including seventeen SLAG projects and nineteen LRAD projects), concerning 31 800 ha and theoretically benefiting more than 5 000 households, the trajectories of these projects usually led to poor results. Except for three success stories with otherwise fragile results, production collapsed in all other cases, and the low incomes cleared from the areas in question benefited only a very small number of beneficiaries (Anseeuw & Mathebula 2008).

### ***Redistributing water rights: Everything remains to be done***

#### *Historical water access conditions and recent reforms*

Water and the conditions for accessing and sharing this resource obviously constitute a central issue in South Africa. Just as for unequal access to land, the fact that black populations were practically deprived of access to water, for irrigation in particular, weighs very heavily today. David Blanchon (2009) explains that while the Netherlands, via the Dutch East India Company, first imposed a legislative corpus inspired by the metropolis and privileging the public control of water (in a country where it was especially necessary to protect the land from water-related threats), the British progressively introduced a system where the owner had extensive powers over the water traversing his or her estate, that is, the concept of riparian rights.

After the Anglo-Boer War, South African water policy became clearer with the necessity to supply water to Johannesburg (located on a watershed between the Vaal and Limpopo rivers), and the priority given to irrigation. The Irrigation and Water Conservation Act of 1912, in protecting riparian rights, gave extensive powers to farmers, and Afrikaners in particular. The idea was to favour riparian rights as much as possible, particularly for irrigation, while guaranteeing the needs of downstream residents (Blanchon 2009).

Although the role of the state (in addition to its involvement in major hydraulic works) was subsequently reinforced as far as water management was concerned, particularly with a view to satisfying industrial, mining and urban needs, riparian farmers kept their rights and quasi-unlimited access to this resource.<sup>14</sup> The rights of African populations were denied to them. Major transfer projects were being carried out to the benefit of white populations. And while black populations were confined to bantustans, water was being transported in the opposite direction (Blanchon 2009).

It was only with the National Water Act of 1998 that water resources were nationalised and riparian rights eliminated. Water ownership was then abolished without indemnification, while catchment management agencies were created and the power of the Department of Water Affairs and Forestry was reinforced (Blanchon 2009). The creation of Water User Associations (WUAs) was also promoted, to progressively replace the former irrigation boards controlled by white farmers (Chibwe et al. 2012).

The studies conducted within the framework of this research work confirm the difficult and often conflicted establishment of these WUAs. In the region which includes the irrigated area of Jacobsdal (Free State; Chapter 8), which is far from former bantustans and therefore from any major potential land-claiming population centre, a WUA has been created and seems to function well. It has a seat reserved for black users, whether farmers or representing other interests. Moreover, although additional water quotas have been reserved for 'historically disadvantaged' farmers, it would seem that part of this resource is being monopolised once more. In the irrigated area of Jacobsdal, for example, 200 ha of water quotas reserved for black people are in actual fact rented out to the highest bidders – white farmers (Arrazat & Périnelle 2012; see Chapter 8). Other white farmers associate with black farmers in the form of joint ventures so as to be able to access additional water quotas. Arrazat and Périnelle describe the case of a farmer who came to an arrangement with one of his employees: additional water quotas allocated to his 'associate' are used on a section of the farmer's land in exchange for a portion of the profit made on that section of the farm. The employee does not really have a say in the choice of production.

In many cases – as found by Rémy and Clerc (2011), for example, in the Brits region (Chapter 9) – the WUAs were properly constituted, including representatives of all categories of users, but the power remains mainly in the hands of the same social groups. The fact that the opening of irrigation boards to other categories of users is entrusted to former riparian rights holders who are then supposed to constitute WUAs, gives them the upper hand as far as determining conditions and perimeters are concerned, as pointed out by Nicolas Faysse (2004) on the basis of eight detailed case studies. This will limit much of the scope of established and potential WUAs.<sup>15</sup>

The case of the Sabie River Valley (in the region of Hazyview, Mpumalanga) offers an example in which the former irrigation board continues to impose its hegemony in defiance of the new laws, and is opposed to the effective sharing of the water resource. This is the case with the great majority of WUAs, which are either inefficient or non-existent (Chibwe et al. 2012).

#### *The example of the Sabie River Valley*

In the Hazyview region, as studied in Chapter 5 by Hélène Regourd, white farmers own the Sabie River canal, the overflow of which is claimed downstream by black

users in the former bantustan of KaNgwane, yet no WUA has been constituted to date, owing to the fierce opposition of the former beneficiaries of riparian rights. The fact that white farmers are monopolising this resource upstream prevents any equitable redistribution of water rights to those downstream. Despite the abundance of this resource, which would make it possible to considerably extend irrigated areas to the advantage of a greater number of producers, the former irrigation board continues to pursue its claim for priority rights for residents who are located upstream.

Regourd has studied the history of this canal and the riparian farms in detail. Built at the beginning of the 1950s, the canal is 25 km long, serving 1 250 ha. The allocated water quota being particularly high (17 860 m<sup>3</sup>/ha), the white farmers who are served by the canal today only use 5 to 50 per cent of their quota. The surplus remaining after each utilisation goes back directly into the river.<sup>16</sup> With the canal size diminishing progressively downstream, the water flow to the last user is reduced in relation to his or her actual quota. In 2005, following negotiations, the irrigation board finally accepted the installation of canalisation (financed by the government) at the end of the canal to collect the overflow (limited by the small size of the canal at the course end), with a view to redistributing it downstream. The irrigation board, which is still operational, accepts giving the water to the farmers downstream, provided that the water rights of the white farmers upstream, although largely overambitious, are not reduced (Regourd 2012).

While most of the water taken upstream returns to the river downstream from each riparian farm, all it takes for the downstream farmers to be unable to irrigate their vegetable crops is for a few upstream users situated at the end of the canal to use all their quota (for watering golf course lawns, in particular) during the dry season. Despite the extension of the irrigated area, farmers lack water, or their access to it is too irregular, which does not always allow them to carry out two crop cycles per year.

Only a widening of the canal, or installing parallel canalisations, would make it possible to transport the overflow downstream and so significantly widen the irrigated areas and the number of beneficiaries. The owners of the canal oppose this. As a result, the efficiency of the irrigated area of the Sabie River Valley is today very low when considering the quantities of available water, which are reserved for the benefit of the holders of historical rights, and despite the replacement of the former irrigation board by a WUA, as provided for by law.

The case of the Sabie River Valley illustrates the importance of real irrigation water redistribution to the benefit of the largest number. Making this resource available to the infertile plots of land of the former bantustans would, perhaps even more so than the agrarian reform *sensu stricto*, considerably increase the agricultural production and the number of families living from it.

*Lack of irrigation water acts as a brake on development of family agriculture in former bantustans*

Examples of the residual agricultural production of former bantustans were given earlier. The agricultural income cleared by these activities – market-oriented horticultural production and small livestock farming on communal grazing areas – most often remains limited to within brackets of a few thousand rands per year, at the most.

It is manifestly the lack of access to irrigation water that most limits the development of these activities. Generally, without access to the most basic irrigation infrastructure, the families in former homelands have to rely on a communal tap to provide water for their vegetable gardens. Concerning the villages of Mandlakhazi and Nwadjaheni (in the former bantustan of Gazankulu, which is today part of Limpopo province), Maud Anjuère and Mathieu Boche write:

The second variable which can explain the diversity of food-producing systems is access to water.<sup>17</sup> This access is going to condition the possibility of undertaking counter-seasonal vegetable cropping. 91% of households in the study area ... are entirely dependent on communal taps for their supply of drinking and irrigation water. Originally, communal taps were installed at the end of the apartheid period in the communities, to enable households to access drinking water. Today, taps only work one day a week, and irregularly. Therefore, what is urgent for these households is, above all, to store drinking water and, secondly, to have access to irrigation water. (Anjuère & Boche 2009: 62)

The quantities of water used are then very low, with households having to face considerable difficulties in transporting water in buckets or containers, sometimes over very long distances. Anjuère and Boche state:

Households make the most of the day when the communal tap works to do their chores which require more water than for other days (laundry and cleaning among other things, and watering vegetable patches). Someone from the household then returns to the communal tap to fill in a dozen containers of 25 litres each, which are then stored for the remainder of the week. Out of the 250 litres stored, a minimum of 190 litres are used for the needs of the family (cooking, drinking and hygiene). As a result, a maximum of 60 litres is left to undertake a second garden watering session during the week. With this quantity, one can water a maximum of 120 plants, that is 20 m<sup>2</sup>. (Anjuère & Boche 2009: 4; see also Chapter 4)

Similar difficulties are also reported by Quinquet de Monjour and Busnel (Chapter 6) for the villages they studied in the former bantustan of Ciskei.



Yet, against all expectations, these irrigated market-oriented horticultural production activities, on very small scales, are extremely productive. Very labour intensive and requiring less and less resources (farm inputs and water), these cropping systems make it possible to clear very high levels of value added related to the unit area or the volume of water used. For all that, owing to the very small areas concerned per family, as well as the lack of water, these cropping systems are not good enough to make a living from.

### *Being trapped in a unique production model and the difficulties encountered to get out of it*

Twenty years after the election of Nelson Mandela as president of the republic, it seems that the agrarian issue is far from being resolved in South Africa. Despite a constantly reasserted political will to end racial segregation inherited from the past, and despite the fact that not negligible means have been allocated to agrarian reform programmes, inequalities as regards access to productive resources and income differences remain significant, perhaps even among the most significant in the world. Too few areas are affected by the agrarian reform, through restitution or redistribution programmes, and the number of beneficiaries is extremely limited. Moreover, all observers agree that, in the majority of cases, the agrarian reforms, far from leading to the creation of wealth and jobs, have led to a considerable drop in production and incomes in the areas concerned.

Many criticisms formulated by various civil society actors on the occasion of the National Land Summit in July 2005 were accompanied by recommendations with a view to going forward. The sacrosanct principle of willing-seller/willing-buyer, in particular, which from the very beginning had inspired South African agrarian reform under the leadership of the World Bank (Lahiff 2007), was challenged. Concerning the restitution programmes, various proposals were made, in particular: introducing into the toolbox of agrarian reform an expropriation procedure in cases where owners block the process; reopening the possibility of lodging a land claim for those who had missed the deadline in 1998; and promoting development projects for the beneficiaries of the procedure. Concerning the redistribution phase, proposals aimed particularly at reinforcing the power of the state in the transaction, if needs be, through expropriation; intervening directly in the real-estate market by limiting foreigners' property rights, introducing a limit on private property and a right of veto by the state on market transactions, as well as a land tax; promoting the division of land to adapt to the needs of small producers; targeting the poor in the first place; indemnifying former owners at a 'fair and impartial' price that does not automatically have to be the market price; no longer letting municipal lands on lease to commercial farmers; and ending the extension of 'elitist' projects, such as golf estates and game farms (Hall, quoted in Lahiff 2007: 21).

Since 2014, several of these proposals have been enacted (e.g. Green Paper on Land Reform published in January 2012; Policy Framework for Land Acquisition and Land Valuation in a Land Reform Context and for the Establishment of the office of the Valuer-General, as of 18 October 2012).<sup>18</sup> However, most have yet to be implemented effectively. Moreover, implementing these proposals, as indispensable as they may appear, would not be enough to turn South African agrarian reform around. This would also require undertaking a major break from the development model followed up to now. Indeed, whether we are talking about land being restituted to communities dispossessed of such land or land acquired thanks to redistribution programmes, these two phases of the agrarian reform have trapped their potential beneficiaries in a unique agro-economic and social model. Caught in this net, many of them cannot get out of it.

### *In search of the technical model*

Until 1994, South African agronomic research was entirely dedicated to the country's 60 000 'white' farms, to the point of ignoring almost entirely what was happening beyond that. That is why, when the time came to take an interest in 'black' farming, a delegation of the Agricultural Research Council (ARC) came to Paris in 1995 to ask the Institut National de la Recherche Agronomique (National Institute of Agricultural Research) and the Centre de Coopération Internationale en Recherche Agronomique pour le Développement (Agricultural Research Centre for International Development) to help it fulfil its new mission. These institutions had vast experience as far as cooperation with sub-Saharan Africa was concerned, particularly in the domain of agriculture. As a result, a Farming Systems Research section was set up at the ARC, with the first applied research programme being dedicated to the Khambashe area in the former bantustan of Ciskei (Umthiza Project, Eastern Cape). A restitution seminar was organised in May 1998 within the framework of this first research programme on farming and production systems dedicated to former bantustans (Cochet 1998). Under pressure from the country's new authorities to obtain quick results that could be used immediately for development, ARC researchers went in search of a model that could be implemented in former bantustans to boost black farming. The search focused on ready-made solutions of 'technical models'. The main questions concerned production types, cropping varieties and fertilisers. These required knowing about the optimal size of a village henhouse, as well as, more generally, technologies needed to boost black farming in the former homelands. These questions echoed, in particular, the objectives attributed to the first financing programme of the redistribution phase of the agrarian reform (SLAG), which proposed modest subsidies (R15 000/household) and was aimed at the large number of poor families in the former homelands.

In addition to the fact that the imagining of development projects 'adapted' to 'former black areas' amounted to continuing separate development, as instituted under apartheid, searching for the standard model prefigured the future difficulties

of the agrarian reforms. The perfect small-scale commercial farming operation did not exist, nor, in fact, did the 'emergent farmer' model. The actual notion of finding a model (understood as a type of production unit to be implemented immediately) is what should have been abandoned from the very beginning, so as to avoid falling back into the errors made in the past, such as betterment planning (Chapter 1).

### *The 'commercial' farming model*

Later, as programmes in support of communities from former homelands in the form of SLAG financing were relegated to second place in favour of LRAD-enabled land redistribution programmes, the commercial farming model came to be favoured. From then on, most of the implemented agrarian reform projects consisted of simple transfers of turnkey businesses to new farmers who were qualified as emergent, with the means being implemented aiming at reproducing, identically if possible, the commercial farming model affected by restitution or redistribution. Two consequences followed on from this:

- the non-division of the property, thus forcing the transfer of the business as a whole to the benefit of only one beneficiary or, if applicable, of a collective undertaking to operate together the business transferred in this way;
- the previous production system was maintained.

The pernicious effects of the first point are legion. By merely having a farm change hands, obviously there is no agrarian reform, nor is there any evolution in the number of people accessing the land. By transferring the land to a new individual from 'historically disadvantaged' groups, landownership is certainly 'de-racialised', but it is not democratised. The fact that agrarian reform beneficiaries are defined de facto according to racial rather than social criteria has been criticised. This was not the case at the beginning of the process. But as soon as the choice was made to transfer 'viable' farms to only one beneficiary capable of bringing in part of the capital and continuing the same production process, the agrarian reform became an opportunity for the rich (or the less poor) to grab, provided they were black. The AgriBEE programme is the expression of this choice.

Worse still, when beneficiary farmers, for lack of sufficient production means to develop the farms on their own, are forced to call on an agricultural service company to undertake the whole crop management sequence – e.g. citrus plantations in the Kat River Valley calling on Riverside (Chapter 6), sugar cane plantations committed by cane supply agreements with Illovo (Chapter 7) – or even sublet their properties to neighbouring businesses (as seen in Brits, Chapter 9), the agrarian reform process is, in practice, translated into an increased concentration in agricultural production units. This goes beyond property ownership and includes the control over production.

When an actual collective takes over the new property, two scenarios can be distinguished. On the irrigated area in Jacobsdal, for example, a small collective of

thirteen people acquired twenty-four irrigated hectares which they developed into a livestock–crop operation. Despite the small incomes generated, this is a relative success insofar as everyone lends a hand and derives a certain satisfaction from it. However, examples of cooperative production like this one are rare, unlike the many examples where the imposed form of shared farming results in bad management, the low involvement of members, a tragedy of the commons and resources being monopolised by one or several leaders. Also described was the example (in the sugar cane area) where a small group, constituted into a trust, administers the property restituted in the name of the beneficiary community, but without the latter benefiting in any way whatsoever from the redistribution. Entrusting a production unit to a collective of labourers with a view to preventing the means of production from being dismantled can only succeed if the social relationships in the production actually change, and if sharing the value added benefits the largest number of people. If the entrepreneurial structure is maintained, the predictable drop in profitability (during the first stage at least) can only lead to a drop in salaries and to the break-up of the group.

The second point, maintaining exactly the same production system, questions the promoted development model. In the mind of the architects of the agrarian reform, particularly since 1999, a property transmitted as a whole (i.e., the land, the farm buildings, the irrigation infrastructure and the equipment) is perceived as indivisible, as a 'viable' business, the constituents of which must be transferred as a whole. This policy seems to rest on a double foundation. The first, justified, relies on the idea that there is no point in transferring land without also transferring the production means required for developing it, at the risk of repeating the same mistakes generated by so many agrarian reforms across the world. The second relies on the unchallenged dogma of the unique model of 'commercial' and supposedly 'competitive' farming, according to competitiveness criteria that are rarely explained in detail, but are de facto limited to profitability. The second point questions the development model put forward by the architects of the agrarian reform and, with them, by many South African actors from the industry.

The uniqueness of the technical model being promoted is also attributable to the 'agro-economic culture' of the consultants who are called upon for each new redistribution project, to elaborate a 'business plan' to be proposed to the future beneficiary that will be used in support of funding applications. Such a business plan invariably proposes a production model which is in every respect identical to that promoted in the past; motomechanised; specialised, with the actual separation of cultivation and livestock farming activities; a major consumer of farm inputs (on irrigated land), fossil energy and irrigation water; based on only one non-pluri-active household; and which relies for the main part on a salaried workforce.<sup>19</sup> These technical support packages are then immediately taken over by agricultural service companies (e.g. Riverside, Illovo, MGK) which have the know-how and the capital required for implementing the technical recommendations.

In this regard, Lahiff (2007) highlights the fact that acquiring a whole farm is a condition imposed by the administration to obtain a subsidy or a loan, and that official opposition to the subdivision of property, anchored in South African history, has carried over to various regimes without being challenged.<sup>20</sup> He adds that 'alternative models, based on low inputs and smaller units of production are actively discouraged' (Lahiff 2007: 14).

The fact that white farmers volunteering to individually tutor 'emergent' black farmers is established as a model indicates, moreover, that there can be no question about changing such a 'model'.

Identifying action levers that promote black populations' development of production processes which create jobs and value added, are less costly for the community than those favoured in the past, and characterised by a less unequal sharing out of value added, seems like a particularly difficult task that nonetheless should take priority.

Yet, the study of the production systems identified in the six regions studied within the framework of this research programme gives a few interesting leads. Mixed crop–livestock production systems often give better results in terms of value added per hectare and job creation than systems specialised in only one production.

For example, based on the results of cattle farming (for the meat) in the region of Sezela (KwaZulu-Natal), one wonders whether systems combining the cultivation of sugar cane and cattle farming (which have definite outlets locally) should not be promoted, rather than reproducing and expanding sugar cane monoproduction (Chapter 7). The relative success of the small Jacobsdal-based cooperative mentioned earlier is largely attributable to the established mixed crop–livestock production system, which is far from regional standards, but requires less and less resources and employs the associates' workforce throughout the year.

### *'Modern' business based on employees*

The other aspect of the model being promoted is of a social and organisational nature. Accessing the farming business and 'taking over' formerly white-owned farms means becoming an employer. In this regard, it is out of the question to lower oneself to the manual tasks required by farming, the idea being to deal with coordination, management, accounting and personnel management tasks. The promoted model is therefore entrepreneurial, with the production process relying very much on the salaried workforce.

This choice has significant consequences. It has been shown many times in this study that the very high level of agricultural incomes cleared by most 'commercial' farms did not come only from high labour productivity – enabled by privileged access to resources and to relatively good-quality equipment – but also and especially from the fact that the value added created is shared out unequally, most disadvantageously for the labourers and most advantageously for the return on capital and the remuneration

of the farm manager (Chapter 10). To reproduce this social model is to reproduce the social relations inherited from the former regime; it is to found the profitability of future 'black' farms on a distribution of value added which is as unequal as it was under apartheid. In this regard, it is significant that emerging farmers, through the National African Farmers' Union, are opposed to any increase in agricultural wages, as are their white colleagues through Agri SA.

In the so-called 'commercial' farms, profitability – the capacity of the business to remunerate the managers as well as the capital invested (by the managers or other investors) – is privileged. As regards agricultural development, however, other economic indicators are more pertinent. The criteria of value added and factor productivity, those governing the distribution of value added and therefore labour and capital remuneration in particular, and those making it possible to measure job and income creation, turn out to be particularly interesting when comparing the various institutional forms of farming (for instance, family farms and agribusinesses in particular share the same productive space) (Cochet 2011).

Can the specialised, well-equipped capitalist or large-scale family-business farming model, operating also on the basis of a large salaried workforce for manual seasonal cultivation operations, meet the major challenges of the agrarian issue in South Africa? Faced with massive underemployment affecting rural areas and the entire economy in general, priority must be given to the creation of value added on the one hand, and to the distribution of a job- and income-creating value added on the other. Seen from this angle, maintaining the previous production model is no longer a cure-all remedy. Creating jobs no longer automatically means creating ('formal') salaried jobs, but can also mean creating a productive family activity that enables people to live better. This no longer exclusively means creating jobs that are necessarily insecure (flexible) within large specialised structures with increased needs in labour force during the peak periods of the work calendar, such as harvesting. Rather, it means looking for task complementarity and keeping the family workforce busy throughout the year, utilising diversified production systems (including outside the farming activity), less costly farm inputs and equipment, and giving more to work remuneration than to return on capital.

### ***Conclusion: The need for radically challenging South Africa's present development model***

The choices guiding South Africa's agrarian reform and the impasse it seems to have reached result also from the fact that South Africa is probably the first country in the world where the agrarian reform issue concerns an agrarian system which is already very much involved in a contemporary agricultural revolution. The 60 000 farms in the hands of white farmers in 1994 (around 40 000 today), which already had powerful motomechanised equipment, were largely specialised, had interests in upstream and downstream industries and were fully structured into a unique food-



processing system. The main difference when compared to farms in Western Europe or even the United States resides in the high number of salaried workers, who are present because of their very low remuneration and the consequent maintenance of a large number of manual tasks (partial motomechanisation).<sup>21</sup> Under these conditions, it is clear that the issue of property division and land distribution in more equitable terms was going to be maintained. As soon as the need to prevent the means of production from being dismantled was asserted so as not to harm a dynamic exporting industry, the field of possibilities was reduced considerably, prior to any consideration of agrarian reform processes. It took French farmers several generations to accumulate, under favourable conditions and with the full support of the public authorities, the level of capital they have today within the framework of commercial farms, most of which are still family farms. How does one supply a large number of beneficiaries, and within a few years, the means to acquire costly equipment? In addition, how can former owners be indemnified at market prices? Was the only solution to meet the conditions for the simple transfer of a business from one segment of the population to another, involving no other technical or social change? This must also be recontextualised in a South African oligopolistic agricultural sector, at the level of primary production whether upstream or downstream from the industry.

Yet, the path taken did not prevent the production of farmlands affected by the agrarian reform from collapsing. Moreover, the time taken between making a land claim or redistribution claim, and the actual possession of the property, which can be several years, *necessarily* leads to degradation in the operating conditions (lack of maintenance, land lying fallow, and sometimes looting or vandalism). Seeking to circumvent this transition period through delaying mechanisms always results in extending the past conditions in one way or another, and in trapping beneficiaries into a type of production they do not choose and which does not match their qualifications, their projects or their means. In other respects, no positive objective was reached in terms of affected areas or numbers of beneficiary families. Underemployment is reaching alarming levels in the rural areas of the former homelands, and conflicts linked to resource access are still tainted by violence.

Is another way possible? Yes, undoubtedly, but it is subject to deliberately getting out from under the yoke imposed from the very first day by the selected development model, which is based exclusively on commercial farms stemming from the previous period. The main break to be carried out needs to be conceptual, and calls for radically challenging the development model followed up to now.

### Notes

- 1 On a lease contract signed between one of the beneficiaries and the CPA, one can read, for example: Rent: R608/month. It concerned a 16-ha irrigated farm, with a three-year renewable rental (i.e., €55 on average per year).

- 2 An example was given to us concerning a rent of R16 000 per month (around €1 600/month or €19 000/year) paid for 91 ha, a rent equivalent to €190/ha/year. It would seem that some of the former owners only managed to rent a portion of their former property (interview with the manager of the CPA in question).
- 3 Interview with a beneficiary of the land restitution process who obtained a 16 ha irrigated piece of land from the CPA.
- 4 At the time of the research, 1 euro was about 12 rands.
- 5 Two testimonies in agreement, taken down by Regourd, refer to the fact that these funds were embezzled by community leaders.
- 6 These lands, with a surface area of 40–80 ha, cannot be sold because they are too small to undertake extensive animal production. In this case, the state still develops an irrigation system on a small section of the land or sets up a vineyard before redistributing it.
- 7 This provincial bank supplied financial services to black people from KwaZulu during apartheid.
- 8 For the same reason, the government does not consider NFGs real beneficiaries of the agrarian reform. Some of their farms are even affected by land restitution claims.
- 9 In a 'Proprietary Limited' or 'Pty Ltd' company, the capital is divided between a maximum of fifty shareholders. These shares cannot be put up for sale publicly. Furthermore, the company cannot be listed on the stock exchange and shareholders have a limited responsibility.
- 10 However, there are cases where the beneficiaries can buy the farm if they receive authorisation from the Department of Rural Development and Land Reform (which is the owner of the farm when it is first bought out). This possibility has not been invoked in the case of Beneeva.
- 11 These communities are still waiting for the restitution of the other farms for which they lodged a land claim.
- 12 In fact, it was forbidden to convert these lands into residential areas. However, we observed plots of land formerly cultivated with sugar cane which are today lying fallow. This can be explained by the fact that Illovo, for political reasons, prefers not to bring supply agreement violations before the courts.
- 13 These tensions are taken seriously by the sugar industry, which has hired the services of an arbitrator to try to solve the problem.
- 14 The Water Act of 1956 is the expression of this compromise (Blanchon 2009).
- 15 Moreover, there is something paradoxical about witnessing the development of white ecological movements defending the reserved flow policy – by putting forward the protection of the aquatic life in the river – while opposing WUAs (Blanchon 2009).
- 16 As the water hatch on the canal is always locked open, the farmers have to take their quota even if they do not use it, and even if it means returning a large portion of the water into the river situated downstream. White farmers situated upstream only use 25 per cent of their quota, on average, with the remaining 75 per cent going back directly to the river. The quantities of water thus wasted are in the region of 12.5 million m<sup>3</sup> (Regourd 2012: 66).

- 17 The first being access to agricultural land.
- 18 For more information regarding the latest Acts and policies, see Chapter 2.
- 19 Concerning poultry farming, the models produced are in the same vein, as found by Anjuère and Boche (2009; Chapter 4) in the Limpopo province or by Regourd (2012) in Hazyview (Chapter 5).
- 20 The Subdivision of Agricultural Land Act (No. 70 of 1970), prohibiting any division of property to prevent farm workers from accessing the land, has to date still not been abolished (Anseeuw & Mathebula 2008).
- 21 Another difference resided undoubtedly in the close correspondence between farm and property, the latter being historically and mainly in the hands of farmers.

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### *Interviews*

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