

LAND AND AGRARIAN REFORM IN SOUTH AFRICA

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1. Introduction

In South Africa land is presently not only one of the most defining political and development issues, but also perhaps the most intractable. The continuing racial maldistribution of land will either be resolved through a fundamental restructuring of the government's land reform programme, or it will be resolved by a fundamental restructuring of property relations by the people themselves. Which direction the country follows depends to a large degree on the urgent and immediate responsiveness of the government to the needs and demands of the country's 19-million mostly poor, black and landless rural people.

The past few years have given some disturbing indications of the government's intentions in this regard, from the narrowing of the redistribution programme – the main vehicle for reversing the racially-skewed landscape inherited from apartheid – to targeting the creation of a small African commercial farmer elite instead of the large population of poor landless Africans, to the *laissez-faire* attitude towards the growing demands of landless people and their civil society allies for a Land Summit to address the country's land crisis.

Not only is land reform critical in terms of providing historical redress for centuries of settler dispossession, but is also to resolving the national democratic revolution in South Africa. This is so, because it is through land reform that social and economic relations (embodied in property relations) in rural areas are to be transformed. This is a central to the national democratic struggle to transform the colonial class formation in South Africa that combines capitalist development with national oppression.

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2. Historical Basis for Land Reforms in South Africa

Relocation and segregation of blacks from whites started as early as 1658, when the Khoi were informed that they could no longer dwell to the west of the Salt and Liesbeck rivers, and in the 1800's, when the first reserves were proclaimed by the British and the Boer governments (Human Awareness Programme 1989).

The *Native Land Act* was also passed in 1913. This Act restricted the area of land for lawful African occupation, and stripped African cash tenants and sharecroppers of their land and consequently replaced sharecropping and rent-tenant contracts with labour tenancy. The *Native Land Act* resulted in only 10% of the land reserved for blacks. In 1923, a principle of separate residential areas in urban locations was established, and this principle was extended by the *Group Areas Act* of 1950. In an attempt to deal with problems of forcing more people to live on small areas of land, betterment planning was introduced. This included cattle-culling, fencing off of fields and grazing land from residential areas, and the moving of people into villages set away from farming areas.

In 1936, the *Development Trust and Land Act* was passed. This Act allocated already promised land to the reserves. Squatting was also made illegal. In 1937, the *Natives Laws Amendment Act* was also enacted to prohibit Africans from buying land in urban areas. Furthermore, the *Group Areas Act* was promulgated in 1950. This Act racially segregated areas with respect to residence and business and controlled interracial property actions. In a further attempt to ensure separate and unequal development, the *Bantu Authorities Act* was passed in 1951. This Act allowed the establishment of tribal, regional and territorial authorities. Also, to ensure complete illegality of squatting, the *Prevention of Illegal Squatting Act* was passed in 1951. This Act allowed the government to establish resettlement camps for surplus people evicted from white farms.

The *Blacks Resettlement Act* was also passed in 1954 to give the state the authority to remove Africans from any area in the magisterial district of Johannesburg and adjacent areas. The *Promotion of Bantu Self-Government Act* was also enacted in 1959 to establish the Bantustans and make the reserves the political homeland of Black South Africans. In the early 1960's, the first relocation camps were established. This was an attempt to remove displaced labour tenants, unwanted farm workers and unemployed urban people. In 1964, the *Black Laws Amendment Act* was enacted. This, alongside the *Native Trust Act* was used to finally abolish labour tenancy and squatting on farms.

The Land Acts and other related land laws, settlement planning, forced removals and the Bantustan system, contributed to overcrowding in the former homelands. It is estimated that more than 3.5 million Africans were forcibly removed and relocated to the homelands and black townships between 1960 and 1980 (Human Awareness Programme, 1989). As a result, the population in black areas increased drastically. For, example, the population in QwaQwa increased by 4900% between 1970 and 1983 from 25,334 to 500,000 (Indicator SA, 1989). Whereas the population density for the homelands averaged 151 people per sq. km., the population density for the rest of South Africa was only 19 people per sq. km. In QwaQwa, population density was as high as 500 people per sq. km.

Furthermore, 88% of all whites compared to 39% of Black South Africans lived in urban areas in the 1980. It was also estimated that, in 1985 whites had a housing surplus of 37,000 units . On the other hand, Black South Africans in urban areas and homelands had a backlog of at least 342,000 units and 281,269 units respectively (Human Awareness Programme, 1989).

This historical summary indicates the extent of inequality in resource allocation in South Africa. However, the state began to acknowledge that black people should have permanent land rights in urban areas, and thus introduced the 99-year leasehold system in 1978 and abolished the *Influx Control Act* in mid-1980 (Department of Land Affairs, 1997). This however, did not affect land rights in rural areas where the *status quo*

remained. There is therefore no doubt of the need for redistribution of resources and hence wealth.

The land dispossession of the black population in South Africa was driven by the need to reduce competition to white farmers and to create a pool of cheap labour to work on the farms and mines and, later industry. The pattern of land ownership and control also fundamentally structured the social mechanism of control over black workers and the population surplus to the needs of the capitalist economy. As such, the highly unequal access to land was, and remains, an integral component of the political economy of South Africa as a whole. It must be emphasised that any post-apartheid land reform would be dependent on the extent and character of economic reconstruction.

3. Socio-Economic Profile

The historical dispossessions and segregation in South Africa also contributed to a serious neglect of human rights and dignity and acute inequalities in the country. It further led to differentiated social strata within the country. This section is aimed at providing an overview of the social and economic conditions prevailing in different parts of South Africa. It will provide an assessment of the degree of inequality in the country and thus also form a basis for discussing the rationale and appropriateness of the different approaches to land redistribution.

3.1 Population

The estimated South African population for 1995 was between 41.9 million and 44.7 million². It is estimated that the South African population grew by 2.32% between 1990

² The population estimates by the Central Statistical Services (CSS) and the Development Bank of South Africa (DBSA) were 41.9 million and 44.7 million

and 1995 (South African Institute of Race Relations, 1996). However, the preliminary estimates for 1996 by the Central Statistical Services (CSS) indicate a decline in total population to about 38 million³. It has been stated by the Centre for Population Studies at University of Pretoria, that the country's population is expected to increase to 57.5 million and 70.08 million by 2010 and 2025 respectively (South African Institute of Race Relations, 1996). CSS estimates also indicate that about 54% of all South Africans reside in Kwazulu-Natal, Gauteng and Eastern Cape. Kwazulu-Natal alone constitutes 21.1% of the total population. Only 1.8% of the population is in the Northern Cape.

3.2 Population Density

Increases in population imply pressure on the available land. The population density for South Africa almost doubled between 1970 and 1995, from almost 19 people per km² in 1970 to 34 people per km² in 1995. Population density also varies considerably between provinces. Estimates by CSS indicate that in 1995 five provinces (Eastern Cape, Mpumalanga, Northern Province, Kwazulu-Natal and Gauteng) had population densities above the national average. The population density of Kwazulu-Natal (94.5 people per km²) was almost three times that of the national average, whereas that of Gauteng (374.7 people per km²) was about eleven times that of the national average. Northern Cape had the lowest population density of 2 people per km². This is because, although Northern Cape constitutes about 30% of the total land area in South Africa (the largest in area), it accounted for only 1.8% of the population.

3.3 Population by Race

Out of the over 41 million people in South Africa in 1995, over 31 million were blacks (CSS, 1995). This represented about 76% of the population. White South Africans

respectively. The reason for the disparities has been that the DBSA adjusted their figures to take account of undercounting in the 1991 census. The 1994 estimates by CSS and DBSA were similar; 40.7 million and 40.6 million respectively.

³ CSS claims that the previous population estimates were overstated and that the current estimates have corrected for the overestimation.

constituted only 13% of the population. About 57% of all Black Africans lived in Kwazulu-Natal, Eastern Cape and Northern Province. Kwazulu-Natal alone accounted for almost 23% of the Black population with Gauteng accounting for 41% of White South Africans.

The distribution of population by race also differ among provinces. In 1995, almost all the people in Northern Province were Blacks (97%). With the exception of Western Cape, Blacks dominated in all the provinces. The 1995 population estimates by CSS indicated that Western Cape was the only province where there were more Whites than Blacks. The Whites made up almost 24% of the population in Western Cape as opposed to 18% Blacks.

3.4 Rural Versus Urban Population

In 1995, the Centre for Development Enterprise (CDE) estimated that 48% of South Africans lived in rural areas. Preliminary estimates for 1996 by the CSS, however, indicated that only 44.6% of the population was rural. These figures were a slight decline from the 1993 and 1994 estimates, when the rural population accounted for 51.7% of the total population in each year⁴. According to CDE estimates, the proportion of the population residing in rural areas and small towns will decrease to 46.6% in 2011 whereas the proportion of the population in the urban and metropolitan areas will increase to 53.4% by 2011 (South African Institute of Race Relations 1996).

According to DBSA estimates, Kwazulu-Natal had the highest rural population of 5.6 million people in 1995. Eastern Cape and Northern Province also had a relatively large rural population of 4.9 million and 4.8 million respectively. Gauteng had the highest metropolitan population of 7.3 million people. About 83.6% of the people in the Northern

⁴ The Development Bank of South Africa (DBSA) estimated the rural population to be 21.05 million in 1993 and the October Household Survey puts the rural population at 21.01 million.

Province lived in rural areas in 1995⁵. North-West, Eastern Cape, Kwazulu-Natal and Mpumalanga all had 60% or more of their population living in rural areas in 1995. Only 3.1% of the population in Gauteng were considered rural. Most of the people in the Western Cape were also residing in metropolitan areas (83.5%). There were no metropolitan areas in the Free State, the North-West, the Northern Cape and the Northern Province in 1995 (South African Institute of Race Relations, 1996).

3.5 Population by Gender

1994 population estimates by CSS indicated that women constituted 50.5% of the South African population. The Eastern Cape, Northern Province and Kwazulu-Natal had more than 50% of the population being women, at 54.1%, 53.8% and 52.1% respectively. The other six provinces, Gauteng, Free State, Mpumalanga, North-West, Northern Cape and Western Cape all had more men than women in 1993.

3.6. Social Indicators

In a World Bank Report, it was stated that South Africa has one of the worse records in terms of social indicators among comparable middle-income developing countries. Nearly 95% of South Africa's poor are Black Africans (South African Labour and Development Research Unit, 1995). Black South Africans have the highest unemployment rate in the country. In 1995, the unemployment rate for Black South Africans was 37% which is nearly seven times the unemployment rate of 5.5% for whites (CSS, 1996). Africans has the worse unemployment rate compared to all races in South Africa. Poverty is also strongly linked to rural areas. Rural areas account for about 75% of South Africa's poor. Most of the poor are concentrated in the former homelands and TBVC states. Nearly 63% of South Africa's poor are residing in the Eastern Cape, Kwazulu-Natal and Northern Province (SALDRU, 1995).

⁵ The CSS preliminary estimates for 1996, however, indicated that 88% of the population in Northern Province was rural.

Unemployment also varies from province to province. The Eastern Cape and Northern Province have the highest unemployment rate in the country, both with rates as high as 41%. KwaZulu-Natal and Mpumalanga have unemployment rates of 33% each, and the Northern Cape has an unemployment rate of 30%. Western Cape has the lowest unemployment rate of 8% (DLA, 1997).

Poverty also has a strong relationship to gender and age. The poverty rate of female-headed households is 50% higher than male-headed households. Furthermore, whereas the unemployment rate among men is 25%, that of women is 35% (SALDRU, 1995).

There is also inequality in income distribution. The average total monthly wage per household varies from R281/month among the poorest Black African, to R5055/month among the whites (SALDRU, 1995). In 1993, the per capita income for Black South Africans and whites were R2,717 and R32,076 respectively (South African Institute of Race Relations, 1996). This implies a disparity ratio of 11.8 between Blacks and Whites. Income also varies among provinces.

Income inequality in South Africa is even more striking if you look at the Gini-coefficient⁶. The Gini-coefficient of 0.61 is one of the highest among middle income countries (SALDRU, 1995). Another inequality measure is household consumption. The lowest 40% of households, representing 53% of the population, account for less than 10% of consumption, whereas the top 10% of households, accounting for only 5-8% of the population, account for over 40% of consumption (SALDRU, 1995).

These social differences form a strong basis for redistributing wealth among South Africans.

⁶ A Gini-coefficient of 1 implies absolute concentration of income and a coefficient of 0 implies absolute equality.

The historical dispossessions and the socio-economic profile discussed above indicate serious inequalities in incomes and standards of living in South Africa. The most vulnerable are the rural people and women. In rural areas, land is considered a major asset and input in the agrarian system. One cannot start farming without land. Provision of shelter also require land. Agriculture continues to be the main source of income to many agrarian economies and consequently rural communities in many parts of the world. A reformation of rural economies to improve standards of living therefore has a strong relationship to agrarian reform. Land redistribution is a very important component of agrarian reform and consequently redistribution of wealth in rural areas. In South Africa, agriculture currently form a small share of total incomes of rural Africans. However, agricultural incomes are higher for those Africans with access to land than for the whole rural African population (LAPC, 1997). To redistribute income and improve standards of living in rural areas therefore require access to land.

Furthermore, the high population growth rates in rural areas have lead to a movement of people from rural areas to informal settlements on the outskirts of cities. As indicated earlier in this Chapter, the rural population accounted for 51.7% of the total population in 1994. However, this is expected to decline to 46.6% by the year 2011. This has severe socio-economic implications for the country with respect to overcrowding in urban areas and the associated socio-economic ills.

Land reform may therefore mean a lot to rural incomes and seems to be a rational start to addressing the huge imbalances and inequalities that have existed for many years. Land reform that can lead to some equality in land access and use is also critical in ensuring economic growth in rural areas in particular, and preventing severe social and political instability in the country.

4. The Negotiated Roots of South Africa Land Reform

As early as 1993, the World Bank, arguably the institution most dedicated to the protection of private property rights in the world, warned that if post-apartheid South

Africa did not undertake “a major restructuring of the rural economy centred on significant land transfers and smaller scale agricultural production units”, the country faced the danger of rural violence, and possibly even civil war. It was against this backdrop – and amid growing concerns about the need to inspire the confidence of foreign investors in a rapidly globalising world economy – that South Africa’s multiparty constitutional negotiators approached the thorny question of whether and how to reverse the centuries old racial maldistribution of the country’s 122 million hectares of land.

The challenge was tremendous: On the one hand, the African National Congress government-in-waiting needed to fulfill its 1955 Freedom Charter promise to reverse the apartheid landscape which had put 87% of land in the hands of 60,000 white farmers and the state, while millions of Black people eked out a living in overcrowded conditions on the remaining 13%. On the other hand, transforming the rural landscape – and the racially-separated urban settlement patterns – while ensuring continued food self-sufficiency, creating an investor-friendly environment, promoting economic growth and fostering national racial reconciliation presented multiple and interlinked challenges. The balance of forces at the time of the negotiations nevertheless ensured that the fledging Constitution that emerged from the multiparty talks contained a series of exacting state commitments to the country’s landless. These included three fundamental rights clauses on land reform, as follows (South African Constitution, 1996):

⌘ Section 25 (5): *“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;*

⌘ Section 25 (6): *“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; and*

¶ Section 25 (7): “A person or community disposed of property after 19 June 1913 as result of past 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.”

While the enforceability of Section 25 (5) on land redistribution would be open to challenges on the basis of an “available resources” determination, Sections 25 (6 and 7) granted secure legal entitlements to the intended beneficiaries of the remaining two legs of the government’s land reform programme, namely land restitution and land tenure reform.

Later policy documents and statutory laws drafted by the new government, including the 1994 Reconstruction and Development Programme and the 1997 White Paper on South African Land Policy, further committed the government to redistribute 30% of agricultural land and complete the adjudication process on land restitution claims in the first five years of South Africa’s democracy (1994 –1999), and to a land reform programme that would address “the injustices of racially-based land dispossession of the past; the need for land reform to reduce poverty and contribute to economic growth; security of tenure for all; and a system of land management which will support sustainable land use patterns and rapid land release for development”, respectively.

While welcoming these commitments as an important step forward, the National Land Committee (NLC) and other progressive land sector stakeholders warned that other underlying commitments – to market-led, willing seller-willing buyer, demand-driven land reform – would hamstring delivery by making land reform too costly for the state, while failing to effectively identify the poorly-articulated demands of rural people. The colonial and apartheid states had played a central role in the creation of the existing grid of white-owned private property and Black property exclusion, and the post-apartheid state needed to intervene to change this, the NLC and other critics argued.

5. South Africa's Land Reform Programme in Broad Outline

The post-apartheid government regarded land reform as a key initiative to redress unequal patterns of resource distribution. Land redistribution is being characterized as poverty policy for rural South Africa (Zimmerman, 2000). Driven by the Department of Land Affairs (DLA), the new government has planned and legislated and begun implementing a complex package of land reform measures. Broadly, the land policy has three components.

5.1 Land Restitution

It is designed to restore land ownership (or provide compensation) to those who were dispossessed without adequate compensation by racially discriminatory practices after 1913 (Department of Land Affairs, 1997). The institutional machinery to implement the programme includes provincially-based restitution commissions and Land Claims Court that acts as final arbiter in restitution cases.

5.2 Land Redistribution Programme

Land redistribution is aimed at providing the disadvantaged and the poor with access to land for residential and productive purposes (Department of Land Affairs, 1997). It is also designed to deal with the past injustices of land dispossession discussed above, to ensure equitable distribution of land ownership and to reduce poverty and contribute to economic growth. It makes it possible for the poor and the disadvantaged to purchase land with the help of a Settlement Land Acquisition Grant

5.3 Approach to Land Redistribution

The South African government has adopted a market-based approach to redistribute land. The market-based approach utilizes the forces of the market to redistribute land and largely based on willing-buyer-willing-seller principles. There is, however, some state

support. The government is committed to make Land Acquisition Grants available and is obliged to support and finance the required planning process. The government also assists individual households or communities to purchase and own land.

5.4 The Rationale for the Market-Based Approach

The market-based approach to Land Redistribution has been rationalised on the basis of efficiency. This rationale is to ensure that efficiency in the agricultural sector is maintained, so as to be able to maintain or even improve the current production level of the country and ensure food self-sufficiency. It is also aimed at maintaining or improving on investor confidence.

Land is a scarce resource subject to competing uses. Such competing uses include agricultural production, residential development, urban development, public parks and other amenities. However, the most important implication of economic analysis for policy-making is that in a world of scarce resources, trade-offs characterize any policy decision. Relocation of scarce resources also implies a redistribution of income and wealth in society. The important problem facing policy makers is to choose among alternative consumption bundles and their distributions that could result in different public policies.

Generally five economic criteria are used to judge the efficacy of policies and decisions regarding resource allocation. Four of the criteria relate to efficiency of the economic system, while the fifth one is for equity considerations. Thus, land can either be redistributed for purposes of efficiency or equity. These two terms, efficiency and equity are opposing economic terms which are often confused with in many writings. Both of these cannot always be achieved at the same time in any one redistribution.

5.5 Land Tenure Reform

It is designed to provide security to all South Africans under diverse forms of locally-appropriate tenure (Department of Land Affairs, 1997). This reform includes an initiative to provide legal recognition and to formalise communal land rights in rural areas; and a recently legislated programme to strengthen the rights of tenants on mainly white-owned farms.

6. Seven Years On: The Crisis of Failure

As of the end of 2001, less than 2% of land has changed hands from white to black through the land reform programme and long-awaited legislation to improve the tenure security of people living in the former Bantustans in terms of the state's Section 25 (6) obligations had yet to be released. Of the 68, 878 land restitution claims received, only 12,678 had been settled, benefiting less than 40 000 predominantly urban households, more than 40% of which received monetary compensation instead of land restoration. While monetary compensation is one form of redress, it is not land reform because it does not involve the transfer of land rights. The urban bias of restitution delivery also means this programme has so far done little to transform rural property relations, with most rural restitution claims still outstanding.

Land redistribution transferred less than half a million (480, 400) hectares to 45, 454 households by 31 March, 1999, falling far short of the estimated 25.5 million hectares of agricultural land that quantified the Reconstruction and Development Programme's 30% goal. The entire redistribution programme was put on hold shortly after the 1999 elections, pending a lengthy period of internal policy development marked by a total absence of public consultation. When the Land Redistribution for Agricultural Development Programme (LRAD) was finally launched in August 2001, it clearly targeted "full-time farmers" and required beneficiaries to make a minimum R5,000 (US\$500) contribution. The NLC and other rural sector organizations have argued that

this requirement will effectively exclude the poor rural majority, marking a reversal of the White Paper's pro-poor commitment.

The slow pace of land reform can be projected to continue, according to budgetary trends that consistently allocate about one-third of 1% of national expenditure to the Department of Land Affairs (DLA). Budget analysts predict that at current spending patterns, it will take 150 years to complete the restitution process, and 125 years to complete the redistribution of 30% of agricultural land to black people. While these projections clearly support the argument that market-based land reform will prove too expensive for the state, the consistent failure of the DLA to spend even its existing budget places it in constitutional jeopardy in respect of Section 25 (5) which requires the state to effect land redistribution within its "available resources".

7. Beyond rights: Why Land Reform in South Africa?

Despite the inclusion of fundamental rights to land reform in the South African Constitution, the state has exhibited a lack of political will to prioritise the fulfilment of these rights within its macro-economic strategy. This suggests that there is a need to go beyond the current rights-based discourse surrounding land reform to demonstrate the socio-economic importance of comprehensive land redistribution and rural development to growth and poverty reduction.

The South African government has committed itself to a conservative macroeconomic strategy, detailed in the 1996 Growth, Employment and Redistribution (Gear) Strategy, which seeks to alleviate poverty in the long-term through a growth-oriented strategy designed to inspire export-oriented industrial expansion by creating the conditions for foreign direct investment. Implicit in Gear and its associated development programmes is an urban bias in development policy rooted in the belief that modernisation brings urbanisation and that state resources should therefore concentrate on meeting the demands arising from this trend.

This strategy ignores the demographic profile of South Africa which, while predominantly urban (55%), is still significantly rural (45%), with strong rural-urban linkages among households. With more than 70% of the nation's poorest concentrated in rural areas – many of these women, children and the elderly – further growth along this path can only exacerbate rural-urban inequalities. Increased urbanisation borne of the desperation of rural poverty will further strain the already limited resources of urban metropolitan councils. The Gear strategy also importantly ignores ample economic analysis, including from the World Bank and some bi-lateral development agencies, which suggests that only certain kinds of growth can achieve poverty reduction, while others – particularly urban-biased, industrial-led growth in circumstances of severe inequality – tend to increase both inequality and poverty, while simultaneously slowing overall economic growth. Conversely, analysis of various developing country growth paths has demonstrated that agriculture-led growth – particularly following a redistribution of assets – can lead to higher overall economic growth, a reduction in inequality, and greater poverty reduction. This is because a more equitable growth in agricultural income – combined with the right development policies – can lead to the growth of a vibrant rural non-farm sector which lays the basis for further economic growth through industry.

The highly uneven distribution of rural incomes in South Africa is a direct consequence of land ownership patterns. Some 60,000 large scale, mostly white commercial farmers dominate the agricultural sector. As a result, access to the bulk of the nation's natural resources is denied to over 13 million people living in more marginal areas of the country, and to about seven million workers and tenants living on these farms. This imbalance in land holdings is reflected in gross income disparities between the two groups, and greatly impedes growth in rural incomes for poorer households, effectively stalling rural non-farm sector growth and poverty reduction.

One reason for this link between equality in land ownership and higher levels of economic growth in developing countries is the relative efficiency of farm production by large numbers of smaller farmers as opposed to small numbers of larger producers - the inverse relationship between farm size and productivity. Reducing land concentration is

thus a more effective strategy against poverty than relying on agricultural growth alone. This is one important reason why the mere de-racialisation of commercial agriculture – while an important component of rural transformation – through the redistribution of land to a small number of black emerging commercial producers (as the LRAD programme seeks to achieve) will not succeed in stimulating sustainable economic growth or substantial poverty-reduction.

8. The Need for People-Centred Land Reform

These socio-economic arguments, combined with the political imperatives which inspired South Africa's original rights-based provisions for land reform, point clearly to the way forward: an economic growth strategy based on comprehensive rural economic transformation beginning with broad-based land and agrarian reform targeting the poor, as defined through popular participation and consultation.

The current policy focus (LRAD) of redistribution limits development in several ways: it seeks to concentrate resources in the hands of a small number of black commercial producers who are unlikely to spend much of their disposable income in the rural economy, while confining the poor majority to ongoing dependency on rural farm wages and paternalistic social relations; it limits the socially transformative impact of land reform to a small number of relative elites; and it delays the potential impact of asset redistribution on the ability of the poor to take economic risks and diversify their livelihood sources. In contrast, a genuinely participatory, pro-poor land reform policy, would raise the incomes of poor – whose marginal propensity to consume rural goods and services is high – while transforming rural social relations and improving the prospects for the rural poor to engage in sustainable livelihoods.

People's participation (in particular of excluded groups such as women and youth) in development must be a transforming act. Participation combined with popular education transforms people's consciousness and leads to a process of self-actualisation, enabling oppressed people to take control of their lives. Such participation must, however, entail

the achievement of power in terms of access to and control over the resources necessary to protect livelihoods.

Land is a primary means of subsistence and income generation in rural economies. Access to land allows rural families to put their labour to productive use in farming, while providing a supplementary source of livelihoods for rural workers and the urban poor. Land can be loaned, rented or sold in times of extreme distress, thus providing a degree of financial security. Importantly, as a heritable resource, land is the basis of wealth and livelihood security of future rural generations. Rights in land and access in land are major determinants of a household's capacity to choose and plan its own level of farm employment.

Access to land also strengthens the hand of the rural poor in their participation in the labour market, while contributing significantly to rural employment growth, both through multipliers back into agriculture and into the growth of a vibrant rural non-farm sector. Thus broad-based land redistribution to the poor can reverse the pattern of rural asset extraction which has historically stymied developing country economic growth. Land reform can also promote more equitable patterns of growth that shift income and power to the poor.

Land redistribution is inevitably a highly politicised process. However, the persistence of poverty, poor economic performance, and growing inequality makes such reforms both necessary and urgent. Land reform has succeeded in combating poverty and promoting economic growth in many developing countries, particularly including several erstwhile Asian Tigers. Key characteristics of effective land reform policies include: explicit targeting of the poor; ceilings on land ownership; the existence of marketing opportunities for farm produce; the provision of agrarian support services as part of a broader rural development focus; focused, coordinated programmes that are sustained for long periods of a decade or more; beneficiary participation in design and implementation of programmes; and flexibly-designed tenure reforms.

Achieving these results often requires a firm political commitment by governments to overcome the entrenched power of existing landowners. While this may present an uncomfortable challenge to a reconciliatory state concerned with stability, the failure to do so, and the resulting delays in asset redistribution may weaken the political impetus of change, further entrenching unworkable asset disparities, and fuelling increased tensions and potential for conflict. In short, for the sake of long-term political and economic stability, it is better for a country like South Africa, with the highest income disparity in the world, to face the pain of a radical redistribution of assets through land reform now, than to face the long-term instability which emanate from delaying the resolution of the land question.

9. Conclusion

Almost eight years have passed since the birth of South Africa's democracy signaled the end of apartheid oppression, but it have led to the birth of neo-liberal economic order which have continued to perpetuate the unequal economic relations of the past. The paper has enumerated several problems which the current land reform programme is facing in South Africa.

The South African state has committed itself both to land reform and to a macro-economic strategy which presently appears to contradict its stated commitment to land reform. Nevertheless, the right to land reform is enshrined in three fundamental rights clauses of the Constitution. These are further bolstered by the requirement (Section 7 (2)) that "the state must respect, protect, promote and fulfil the rights in the Bill of Rights", including those to land reform. A further fundamental right to just administrative action (Section 33), grants "the right to administrative action that is lawful, reasonable and procedurally fair" and requires the adoption of legislation to promote an efficient administration. This implies both that rural people receive a fair share of national resources, and that the state fulfills its obligations to the landless in a fair and efficient manner.

The state had not fulfilled this, or any other of its obligations to landless people, and this failure has resulted in an escalation of the land crisis created by colonialism and apartheid. The fundamental choices made by the new regime serve to undermine the ability of the land reform programme to create conditions for a 'neo-liberal' agrarian transition - in particular, the property rights clause in the constitution and the opting for the markets as the mechanism for redistribution. These two choices on the part of the new regime automatically undermine the ability of land reform to effect radical change in agrarian relations. This will continue to perpetuate the colonial class formations into the future, as it still remains a definite reality

The main objective of land reform must be to bring a just and equitable transformation of land rights in South Africa. This objective has a number of dimensions. Firstly, land reform must address the gross inequality in landholding. Secondly, it must provide sustainable livelihoods in ways that contribute to the development of dynamic rural economies. Thirdly, particular attention must be given to the needs of marginalized groups, especially women, in order to overcome past and present discrimination. Fourthly, rural people themselves must participate fully in the design and implementation of land reform policies.

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