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## **Land reform in South Africa as a means to combat poverty**

### ABSTRACT

Right from the start the government's aim through land reform was linked to economic growth and the alleviation of poverty. However, after ten years of democracy there are complaints that the delivery on land reform has not been entirely satisfactory. Recently quite a serious accusation came from some South African churches indicating that government has moved away from a pro-poor land reform agenda towards the support of a new upcoming class of black commercial farmers. Some observers want government to end the concentration of landownership in the hands of a minority, and to provide land to the poor.

In this paper we argue that the maintenance of a viable agricultural sector on the one hand and making provision for the poor on the other, should not be regarded as opposing options. The successful development of black commercial farming could become in the medium and long run a significant means of poverty alleviation itself.

Since 1994 land reform has become a well-established feature of South Africa's political, socio-economic and agricultural scenarios. To a large extent it forms the foundation on which a new political dispensation and development strategy is being built.

The present discussions of the options for the appropriate use of land in South Africa, happen in a time when poverty is identified as being the major challenge facing our newly democratised society.

The goal of land reform is to provide the wider majority of South Africans with access to land for residential and productive use in order to improve their livelihoods, with particular emphasis on the poor, labour tenants, farm workers, women and emergent farmers.

The question after 10 years of democratic government is whether strategies for the effective use of land to combat poverty have succeeded.

### 1. WHAT LAND REFORM IS ABOUT

#### **1.1 Redress of the injustices of the past**

A series of laws from the previous century specified landownership in South Africa based on a concept of territorial segregation and the division of land rights between whites and blacks.

The most important of these was the Native Land Act of 1913. This law which was the first in the 20<sup>th</sup> century that specified group areas, applied the land in its entirety to the white population and only by exception were certain territories set aside for black persons.

Following the Land Act came the Native Trust and Land Act of 1936 which assigned 13,7% of the land to black people for permanent residence, but the final title for these lands was held by

the development trust, to which all land assigned to the black population belonged.

The Group Areas Act of 1950, which specified exceptional residence in certain urban regions for coloured and Asian populations, resulted in a large-scale migration of people.

The key element in these and in other laws, which especially since 1948 were applied in ever greater measures, was that although millions of black people lived in various rural areas, they could not become legal landowners.

The alienation from land impacted negatively on the livelihood of black people. "The statutory prohibitions imposed on black South Africans' right to own land had far-reaching consequences. For many black people these laws oppressed, discriminated, restricted and controlled their access to economic opportunity" (Louise Tager: "Democracy and Property Rights in South Africa: The Land Issue" in: *From the Front Lines* 31 July 2000).

It is widely accepted that land dispossession over many decades contributed to the situation of many people caught up in a cycle of poverty and powerlessness, and that the legacy of discriminatory laws and forced removals has still a negative impact on the living conditions of the majority of black people ("The Land and its use in Southern Africa: Report of the Southern African Anglican Theological Commission" 1995 in: *Bulletin for Contextual Theology in Africa*, Volume 5, no 3, September 1998, p 4).

## **1.2 The Land Reform Programme**

When it came to power in 1994 the present government rescinded the remaining discriminatory legislation. In the White Paper on Land Reform of 1996 the government introduced a programme of land reform divided into three principal components which aim was to redress the injustices of forced removals and the historical denial of access to land.

### *1.2.1 Land restitution*

According to the programme of restitution, individuals or communities that were separated or alienated from their land after June of 1913 through discriminatory legislation without proper compensation, had the right to submit demands either for the return of the land or for compensation for its loss. The cut off date for restitution claims was December 31 1998. In total there were 67 531 such claims received by the Commission for the Restitution of Land Rights, of which about 20% were related to rural areas. The aim of the government is to complete the whole process before the end of 2006.

### *1.2.2 Redistribution*

This aspect covers the awarding of land in the government's possession or land that is especially purchased by the state to under-developed communities for the purpose of righting the imbalances with respect to landownership. An important objective of the land redistribution is to create a new class of upcoming black commercial farmers with the assistance of government.

A sub programme, called the Land Redistribution for Agricultural Development Programme (LRAD), was designed in 2000. The LRAD has broadened the scope of the land distribution process by including assistance to black emergent commercial farmers.

### *1.2.3 Extension of the security of tenure*

This legislation, also known as ESTA (Extension of Security of Tenure Act, 1997), grants greater security to those people who live on land that does not belong to them. Its objection is to improve the rights of people in rural areas, such as farm labourers, and to protect them against evictions.

### 1.3 Focus on poverty

Already in its preamble the new constitution points out the goal that the injustices of the past will be redressed, that discrimination should be removed, and quality of life for all citizens should be improved.

Right from the start the government's aim through land reform was linked to economic growth and the alleviation of poverty. "The purpose of the Land Redistribution Programme is to provide the poor with land for residential and productive purposes in order to improve their livelihoods ... Its scope includes the urban and rural very poor, labour tenants, farm workers as well as new entrants to agriculture." And also: "The primary focus of land reform is the historically disadvantaged – those who have been denied access to land and have been disinherited of their land rights. Land reform can make a significant contribution to the alleviation of poverty and injustice caused by past apartheid policies in both urban and rural areas" (White Paper on South African Land Policy 1998).

Agriculture and Land Affairs Minister Thoko Didiza states clearly in her address to church leaders during the Church Land Programme in Pietermaritzburg, July 2000: "We are all aware that landlessness breeds poverty, poverty breeds disease and squalor, and that disease leads to the disintegration of families, imbalanced growth and influx to urban areas in search of a better life. Our task is to reverse this trend and create conditions that will enable people to improve their livelihoods."

The Reconstruction and Development Programme (RDP) represents government's commitment to eradicate poverty. Almost three-quarters of people below the poverty line in South Africa live in rural areas. Of these, children less than five years, youths and the elderly are particularly vulnerable.

### 1.4 The Strategic Plan for Agricultural Development

It is important to government that land should be used productively. As a result of this vision, President Thabo Mbeki invited representatives from the agricultural industry to join government in drawing up a common agricultural perspective to which government and industry would commit their efforts.

The Strategic Plan for South African Agriculture, adopted in November 2001 by the government and the farming industry, is of critical importance because government and industry now share a common perspective on the sector's strategic issues, which means that they can build their partnership from a common framework.

Chief Land Claims Commissioner, Adv Wallace Mgoqi, comments: "Our highest goal is that land restitution be measured not by the number of claims settled, but by the success of the projects on the restored land ... We are keenly aware that the Achilles heel of any land reform programme is whether or not the people who receive the land are capable of utilising the land productively and profitably for themselves." (See overview in Annual Report, Commission on Restitution of Land Rights 2001/2).

## 2. IMPLEMENTATION OF THE GOVERNMENT'S LAND REFORM PROGRAMME: ACCUSATIONS OF A SHIFT AWAY FROM POVERTY ERADICATION

The most common objection to the land reform programme has to do with the slow pace of implementation. And indeed, even government itself would admit that the delivery on land reform has not been entirely satisfactory. Targets for redistribution and restitution must still be met, budgets have been low and then often under spent and institutional capacity for delivery could have been better.

Some observers would argue that although government policy documents contain virtually all the right elements, they do not seem to spawn the right programmes leading to substantial and sustainable reform.

A more serious objection comes from churches in South Africa with regard to not only the pace of land reform, but especially also to the direction itself.

In July 2000 a meeting was hosted by the Minister of Agriculture and Land Affairs, bringing together senior staff of the Department of Land Affairs and national leaders of the churches in South Africa, in order to initiate dialogue between the government and the churches concerning developments on the land issue.

In her presentation, the Minister encouraged the churches to make their land available for land reform, challenging them to work on the basis of their commitment to justice. A further challenge was for the church to play a role beyond its own land, and to become effective in raising their concerns for the broader society in questions of land reform and rural development. (DLA, Church and Community, 2000 Report, p 2).

In 2001 the discussion document “Land in South Africa: Gift for All or Commodity for a Few” was drafted by Graham Philpott of *Church Land Programme* and Mark Butler of *Critical Resource*, responding to the meeting with the Minister. According to this document there was tension at the meeting when churches tried to communicate to the Minister a broader vision involving the sustainable and productive use of land by and for the poor. “What was not articulated clearly at that meeting was that underlying the tension was perhaps a growing apprehension that handing over land in terms of government’s present package of land reform instruments provides no guarantee of sustainable livelihoods for the poor” (Philpott and Butler, p 1).

Churches represented at this meeting, it seems, were not only unhappy about the pace of land reform, but more importantly, also about the land reform policy itself. “If the evidence suggests that the direction is correct but its implementation is slow and faulty, then we must urge greater speed and efficiency. If, however, the evidence suggests that the direction itself is inappropriate and that the impacts the land reform programme are having are in themselves questionable, then we must urge a fundamental review of the package as a whole” ( Philpott and Butler, p 2).

There is a concern, according to Philpott and Butler, that compromises were made by the government, resulting in a shift away from the democratic outlook indicated in the Freedom Charter to a broadly neo-liberal approach to economic development. Under LRAD, they argue, the central concern of land reform has shifted to transforming the demographic profile of commercial farming. “Despite official denials, the poorest of the poor are no longer the priority beneficiaries of land reform. Instead, black farmers are, be they aspirant or actual, small-scale or large enterprise, and the intention is to shift the racial profile of commercial farming” (Philpott and Butler, p15, 26 ).

Philpott and Butler voice their concerns in an even stronger statement: “Land reform in South Africa has been effectively subordinated to an economic development model that will not ultimately transform land and agriculture along Biblical and ethical lines. Under enormous pressure from powerful economic interests and ideologies – globally and within the country – the real priorities of land and agricultural reform are being directed away from the interests of the poor ... The clear and overriding intention is to end the almost exclusively white racial character of the commercial land owning class, by implementing measures to support and grow a black commercial agricultural class ... For these reasons we are not convinced by repeated calls to simply speed up land reform without asking where it is headed. The gulf between an agrarian reform that is in line with Biblical morality, and government’s market-oriented land reform is too big to ignore in good conscience” (Philpott and Butler, p 33-34).

The question is whether these serious accusations that government has moved away from a pro-poor land reform agenda are justifiable.

### 3. EVALUATION OF THE ALLEGED SHIFT FROM POVERTY ALLEVIATION TOWARDS BLACK AGRICULTURAL EMPOWERMENT

In my view the utilisation of land to combat poverty on the one hand and commercial farming on the other, should not be regarded as opposing options. What is more, the successful development of black commercial farming could become in the medium and long run a significant means of poverty alleviation itself.

It is clear that Government is still committed to combat poverty through the implementation of the land reform policy. Although not enough, much has been achieved already to improve the livelihood of poor people through the various mechanisms of the land reform programme. At the end of 2003, for instance, out of 67 314 land claims approximately 43 000 have been settled, translating into more than 150 000 households. Much also has been done to secure tenure for farm workers throughout the country.

As in regard to land redistribution, Minister Thoko Didiza already in 2000 gave the assurance specifically that the assistance to black emergent commercial farmers will not be to the detriment of the rural poor. "The ultimate objective of all our efforts is to see our people living in dignity while participating fully in the building of our economy. This can only happen when poverty, especially in rural areas, has been eradicated. To achieve this goal our government has adopted a multi-pronged approach to rural development" (presentation at the launch of the Church and Land Programme in PMB, July 2000).

Recently, as at numerous other occasions, the Minister reaffirmed this approach by stating that the tide has turned in the implementation of the restitution programme. "The finalisation of rural claims will contribute directly to the alleviation of poverty, as the beneficiaries now have access to land, which is a means of making a livelihood" (Foreword in the Annual Report of the Commission on Restitution of Land Rights 2002/3).

One can only agree with Philpott and Butler that getting land reform right is fundamental to the broader project of healing South Africa, and that the poor will have to be the focus in this healing process. One could also agree mainly with their brief review of key Biblical themes and principals that provide the moral and theological basis for a Christian perspective on land matters.

Regarding practical implications of these principals for the implementation of land reform, however, we disagree on several key issues.

According to Philpott and Butler the starting point for an alternative agrarian reform, must be the redistribution of land, which first and foremost means "breaking up the concentration of landownership in the hands of a minority" (p 36).

This is easier said than done. Redressing gross imbalances in landownership and access is one thing; recreating sustainable livelihoods on the same land which will still benefit the poor is infinitely more difficult.

Fact is that land reform can be tackled effectively only when it is underpinned with the maintenance of a viable commercial agricultural sector. One needs only to refer to the events in Zimbabwe to realise the conflict potential or random redistribution of land and how catastrophic the results could be for the economy and human relations of a country. In many cases, it is the poor that suffer most in conditions like these.

The disruption of the farming industry in South Africa will have without any doubt far-reaching consequences for many people. Commercial agri-business offers an important

contribution to the economy of the land. The role of the agricultural sector with regard to the provision of food and other products, as well as job creation, should not be underestimated.

Commercial farms provide livelihoods and housing to about 6 million members of 1 million employees. There are also 240 000 small farmers who provide a livelihood to their family members as well as occasional employment to another 500 000 people. Furthermore, there are an estimated 3 million farmers, mostly in the communal areas of the former homelands, who produce food primarily to meet their family's needs (Strategic Plan for South African Agriculture p vii).

This means that about 40% of the country's total population are primarily dependent on agriculture and related industries. Because of this critical role of the broader agricultural sector, a united and prosperous agricultural sector is of vital importance.

The South African government must be supported in its present policy of approaching the land issue responsibly and realistically. Simply distributing as much land as possible hastily to as many people as possible will create more problems than it will solve. The idea that the mere redistribution of land will carry enormous prosperity in its wake or alleviate poverty significantly, has been proved to be a myth.

It is clear also from the accepted Strategic Plan for agricultural development that the joined vision of a united and prosperous agricultural sector is not opposed to the eradication of poverty. The document states the following as part of the outcomes that are expected from the successful implementation of the strategic plan: increased wealth creation in agriculture and rural areas, increased sustainable employment in agriculture, increased incomes, reduced poverty and levels of crime and violence, and stable and safe rural communities (p xi).

Government will have to be constantly reminded of their responsibility to deliver on these commitments to the poor.

At the same time they should be supported in their aim to make the agricultural sector more representative. There are at the moment about 50 000 large commercial farmers that are predominantly drawn from the white population.

Mr Motsepe Matlala, Deputy President of the National African Farmers Union (NAFU) writes: "This country cannot afford a scenario where blacks dismiss agriculture as a relevant economic sector. The level of poverty, unemployment and rather social ills confronting us, demand of us to take collective action. The only skill found in abundance in our country, is the skill associated with agriculture" ("Land, humanity, dignity and survival" in: *Landinfo*, Department of Land Affairs, vol 9, no 2/2002, p 2).

#### 4. THE WAY FORWARD

##### 4.1 The immediate need of the poor

President Thabo Mbeki, in his state of the nation speech to Parliament in February 2002, said that "the problem in South Africa is homelessness, not land."

Government therefore will have to make a clear distinction between land needed for productive farming, and land needed for the fulfilment of constitutional rights such as security of tenure and housing.

Although a large section of state-owned land is not available or feasible for land reform since it includes mountain ranges, national parks and conservation areas, this still leaves hundreds of thousands of hectares which could be applied effectively for the needs of the poor. Government will have to speed up this process as a matter of urgency.

Government and the agricultural sector cannot be isolated as the only agents in the struggle against poverty. An encompassing rural development programme needs to be deployed involving

other role players such as non- government organisations, the private sector and financial institutions in a well-planned partnership.

#### **4.2 Assistance to upcoming farmers – the need for partnerships**

Land reform is not merely about the transfer of certain properties to certain beneficiaries. An essential feature of the ongoing productive use of land is the development of partnerships to initiate sustainable agrarian reform through strategies that ensure secure access to land, its efficient use, and increased production and employment.

Farming is no longer a simple occupation, but a specialised and difficult business activity. It demands, amongst other things, technical knowledge and abilities, scientific farming methods, effective administration, infrastructure and business capital.

Adv Wallace Mgoqi says: “The people whose land is returned need empowerment, capacity building, and technical assistance, for them to be able to utilise the land productively ... Government alone cannot do this. There is a role and space for everybody, the organs of civil society, the private sector, donor organisations, provincial and national government” (see overview in Annual Report, Commission on Restitution of Land Rights, 2001/2).

Minister Thoko Didiza repeatedly stresses the need for other stakeholders to contribute to the implementation of the land reform process. “We challenge the private sector, as well as non-governmental organisations (NGOs), to participate, particularly in building the capacity of the claimant communities who are now the new landowners” (see Foreword in the Annual Report of the Commission on Restitution of Land Rights”, 2002/3).

It is encouraging that organised agriculture is focusing its efforts and has several projects already forthcoming to stand with the developing black farmers. Partnerships between white commercial farmers and emerging farmers will have to be extended throughout the country as a matter of priority.

#### **4.3 The contribution of the church**

The church in South Africa is concerned with the land reform issue for at least four reasons.

The history of landownership in South Africa as well as the land reform programme of the government, has an ethical, moral aspect, about which the church, as in similar matters, ought to have a responsible view. In addition, the church has a reconciling role to play, given the high conflict potential of the redistribution of land.

The third reason why the church cannot ignore this question is that thousands of its members, whether they are farmers or residents of rural areas, are directly influenced by land redistribution. And fourthly, the church is itself a land owner.

As the church engages in the struggle to combat poverty it needs to make all its resources available. “This will include the church’s spirituality that will enable us to perceive the spiritual crisis of our time, and introduce a morality affirming all human life and dignity” (Philpott & Zondi: “Church Land: A strategic Resource in the War against Poverty”, in: *Bulletin for Contextual Theology in Africa*, vol 5, No 3, September 1998, p 35 ).

The land owned by churches in South Africa will also be a necessary and strategic resource as the church joins forces with other role players in working towards the eradication of poverty. Several churches which have come to own a significant amount of land are already engaged in a process to develop new strategies for the effective use of their land.

It has proved to be an extremely difficult task to ascertain the extent of land owned by the various churches throughout South Africa. According to a survey done by Philpott and Zondi the

land owned by churches amounts to 182 958 hectares. However, as pointed out by them, the data presented is incomplete, and churches could own a significantly larger amount of land ("Church Land: A Strategic Resource in the War against Poverty", Report compiled by Graham Philipott and Phumani Zondi, Church Land Programme, 1998)

Some churches have recently taken some positive initiatives regarding the land they own. Several conversations have taken place between the Department of Agriculture and the different churches in South Africa, concerning the inclusion of appropriate church land as part of the comprehensive land reform programme.

## IN CONCLUSION

Indeed, getting land reform right is fundamental to the broader strategy of healing South Africa's hurtful history and transforming the country into one where all enjoy at least the possibility of a life of dignity and abundance. In the interest of the poor, but also in the interest of our country and our children's future, it is of critical importance that all stakeholders take hands in a joint effort to achieve this goal.

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