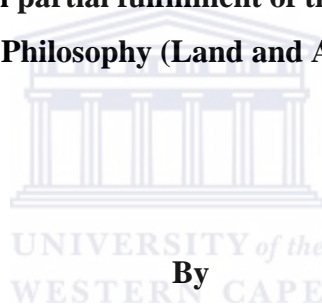


**Reviewing Farm Worker Equity Schemes:
A Case Study of *Saamwerk* Wine Farm in the Overberg
Region, Western Cape**

**A Mini-thesis submitted in partial fulfillment of the requirements for the degree
of Master of Philosophy (Land and Agrarian Studies)**



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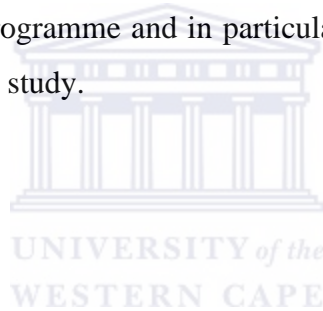
University of the Western Cape (UWC)

December: 2006

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ACKNOWLEDGEMENTS

I would like to thank all those who supported me through their advice and assistance. Very special thanks to the community of Saamwerk farm for allowing me to undertake my study on their farm. Thanks also to those workers who were willing to share information with me. I would also like to thank all my colleagues from PLAAS who offered their support and encouragement throughout the lonely journey of writing up this thesis. I would like to extend a special thanks to my supervisor, Ruth Hall who kept on waking me up during the times when I was feeling down. Many thanks to PLAAS administration staff who have done a great job in making my traveling for the field work possible. Thanks to Thelma Fennie for her good administration of student programme and in particular for assisting in the translation of Afrikaans material in this study.



ABSTRACT

Since the advent of South Africa's democracy, the major challenge of the new government has been to redress racial imbalances left behind by the previous governments. One of the enduring legacies of both colonial and apartheid governments is an inequality on land ownerships and rural poverty. The post-apartheid government introduced a comprehensive land reform programme as a vehicle for non-racial distribution of land. The land reform programme consists of three components which are; redistribution, restitution and tenure reform. Despite the racial policies that severely constrained access to productive land by the majority of people; the new government has encountered new challenges on its way to redress past injustices. In the high value sectors of South Africa's commercial agriculture, equity schemes were adopted within the programme as a response to underlying factors that inhibit rural transformation through land and agrarian reforms. Equity schemes provide new opportunities for farm workers to have a share in both ownership and capital gains of the farming business. Research shows that the ability of equity schemes to fundamentally transform the conditions of farm workers is determined not only by the lack of monitoring and evaluation of the projects, but also on-farm factors such as social relations and the nature of the business.

This research investigates experiences of the Saamwerk equity scheme as a framework to analyze the ways in which the scheme has achieved the objectives of land reform. It reviews the role of this scheme in relation to the experiences and perceptions of beneficiaries about the extent to which this scheme has or has not improved their living conditions. The research used the following objectives to measure the performance of Saamwerk scheme in realization of the objectives of land reform:

- Review the history of the project and document participants' experiences;
- Investigate their perceptions of the changes or lack changes due to their participation in the scheme in relation to: tenure security, livelihoods, power relations and gender relations.

Qualitative research methodology was used to pursue the key question of this study. It involved: participatory observation; in-depth interviews with workers, semi structured interviews with commercial farmer and the consultant. In conclusion, while it is not disputed that equity schemes provide an entry point for the previously disadvantaged into commercial farming, it is argued that the potential of share equity schemes to redistribute income and assets to the workers requires further exploration. The case of Saamwerk have shown striking similarities with experiences of other projects reviewed in previous studies. It is for this reason that policy makers have to incorporate within the programme a comprehensive monitoring and evaluation of equity schemes. The thesis invites further research to be done which will interrogate what motivates commercial farmers to initiate equity schemes. The key questions would then be: who benefits from equity schemes; what kind of benefits, what are the long-term implications for land redistribution.

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ACRONYMS

ANC	African National Congress
CCMA	Commission for Conciliation, Mediation and Arbitration
CPI	Consumer Price Index
CRLR	Commission for Restitution of Land rights
DLA	Department of Land Affairs
EOPS	Employee Share Ownership Plan
ESOS	Employee Share Ownership Scheme
ESTA	Extension of Security of Tenure
FWES	Farm Worker Equity Schemes
IES-	Income Expenditure Survey
JVs	Joint Ventures
LRAD	Land Redistribution for Agricultural Purpose
LRCF	Land reform Credit Facility
PLAAS	Programme for Land and Agrarian Studies
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
SAFCOL	South African Forestry Company Limited
SLAG	Settlement Land acquisition Grant
SPP	Surplus People Project
SSA	Statistics South Africa
TWK	Theewaterskloof

CHAPTER ONE: INTRODUCTION

1.1. Introduction

Transformation of land ownership and agrarian reform has been a challenging task for the post-apartheid government in South Africa. Policy distortions of the previous governments led to inequality in access to land resulting in racially skewed ownership. Under such a policy environment, the majority of black people were cut-off from the land-based economies thus resulting in the spread of poverty in the countryside. As one way of redressing racial imbalances, the post-apartheid government aimed to redistribute 30% of agricultural land for previously disadvantaged South Africans through land reform programme.

The chronic poverty that characterizes South Africa's rural communities is a remaining facet of how South African political economy was constructed. Among the rural population experiencing poverty and landlessness, farm workers are the poorest and the most insecure category of the rural population (DLA, 1997). Due to budget limitations and other factors constraining the poor people from acquiring land, the Department of Land Affairs (DLA) offered Settlement Land Acquisition Grants (SLAG) of R16 000 to enable previously disadvantaged people to purchase land in the open market. According to Knight and Lyne (2004), the results of the programme were disappointing because at the end of 1997, only 0.5% of the commercial farmland had been transferred in the province of KwaZulu-Natal. Hall et al (2001:6) argued that, "in the context of high land prices and an inflexible grant system, a new kind of land reform [equity schemes] has been developed for farm workers through the redistribution route". However, the slow pace of land reform cannot only be attributed to land prices, but can also be a reflection of interplay of the broader political, macro-economic and constitutional factors underlying the implementation

of the programme. In recognition of such limiting factors, the *White Paper on South African Land Policy*, states that successful delivery of land reform depends not only on an integrated government policy and delivery systems, but also on the establishment of cooperative partnerships between the state, private and non-governmental sectors (DLA, 1997). For example, the policy states that “the Department of Land Affairs together with organized agriculture believes that successful partnerships should actively be developed” (DLA, 1997: 15). De Klerk (2005:3) emphasized the centrality of these limitations to land reform as:

...how can the state determine ownership levels on an ethnic basis in an open economy? How can we achieve Black Economic Empowerment’s objective of transferring ownership from whites to blacks without undermining property rights?

Winberg (undated: 26) argues that, in response to the entry barriers to the fruit and wine sectors “share equity schemes have developed on several large estates to open up this agricultural sector for workers”. Lyne and Dorroch (2001) argued that, much of the commercial farmland acquired in KwaZulu-Natal during 1997 to 2001 is co-owned. Partnerships that characterize the sharing of ownership are generally referred to as joint ventures. Ashley and Jones (2001) define joint ventures in the case of the tourism industry as the contractual partnership between a community or local institution and a private investor, to work together in establishing and operating a single tourism or hunting enterprise. Mayson (2004) identified four types of joint ventures available for use in land reform programme as: contract or out-grower schemes, share equity schemes, municipal commonage schemes, sharecropping and company supported schemes.

In the case of the Western Cape Province farming sector, the common forms of joint ventures are share equity schemes mainly found in but not limited to the fruit and wine sector. Due to the capital intensity and high land prices in the fruit and wine sectors, share equity schemes are seemingly the only viable option to integrate the poor into ownership. Mayson (2004:9) defines share equity schemes in agriculture as

arrangements in which farm workers or small-scale farmers or other disadvantaged people buy shares in a commercial farm, or an agricultural processing company. In the context of land reform, farm workers' equity share is financed through the land reform grants from the DLA (DLA, 1997).

According to De Lange (2004), equity schemes allow previously disadvantaged people to enter into agriculture and other industries at lower risk than outright purchase. Therefore, the DLA's support equity schemes as a mechanism that raises the incomes and broadens ownership base of land. In that light, equity schemes are integrated in the government programme that seeks to contribute to rural development through land reform. There is a debate about the merits and demerits of equity schemes in generating the expected results for land reform beneficiaries. One view is that, equity schemes exist in the interest of commercial farmers as the way of spreading the risks of farming business to the workers (Fast, 1998, Mayson, 2004). Fast (1999) particularly points to the danger of losing this lifetime investment opportunity for farm workers if the scheme goes into liquidation. The other view is that equity schemes are the best mechanisms to provide the poor an opportunity to participate in the farming business (Lyne and Knight, 2004, Winberg, undated). In addition, Lyne and Roth (2002:33) argue that:

...the emergence of equity sharing schemes in which previously disadvantaged employees acquire shares on the commercial farms in which they work, has opened exciting prospects for redistribution of wealth and income streams while empowering workers and improving their productivity, retaining quality management and preserving the credit worthiness of the farming enterprise.

In considering the merit of this debate, this dissertation is an attempt to contribute by drawing from an analysis of research done in one equity scheme in the Western Cape. The study evaluates ways in which Saamwerk equity scheme has benefited farm workers¹. It outlines the history of land dispossession and its enduring effects on poverty and labour relations in South Africa as the framework for understanding the dynamics of rural poverty and labour relations. It explores the debate on the

¹ Saamwerk equity scheme is not the real name of the land reform project studied.

constraints of market- based land reform. In conclusion, this dissertation uses the findings from the case of Saamwerk farm and draws from other studies to shed some light on whether equity schemes are worth budgeting for. I suggest areas that need attention in order to improve equity schemes.

1.2. Research question and objectives of the study

The main aim of this study is to explore ways in which farm workers benefit from the government land reform programme. In exploring that, research was done on a fruit and wine farm in the Overberg region of the Western Cape as one example of how land redistribution is happening in that sector.

1.2.1. Aims and Objectives

This dissertation investigates one case study of an equity scheme in the fruit and wine farm of the Western Cape. The study explores ways in which Saamwerk equity scheme has or has not improved the conditions of the land reform beneficiaries. The objectives of the study are:

1. To review the history of the project and document participants' experiences;
2. To investigate participants' perceptions of the changes or lack of change due to the equity scheme in relation to:
 - Their livelihoods;
 - Power relations in general and gender relations in particular;
 - Tenure security.
3. Assess the degree to which this scheme realizes the objective of land reform.

1.2.2. The research question

What are the experiences and perceptions of participants of the ways in which Saamwerk equity scheme is or is not realizing the objectives of land reform?

1.3. Research design

1.3.1. Rationale for the choice of the case study

The case study was selected because it presents a typical case of land redistribution in the Western Cape fruit and wine sectors. Saamwerk is outside the small farming town of Grabouw. The fruit and wine sectors are the most capital-intensive farming sectors in the province (Winberg, undated). Globalization and changes in political regime introduced new challenges and opportunities for the survival of the sector (Du Toit and Ewert, 2005). Fruit and wine are mainly export orientated sectors, therefore they became exposed to tough competition for international markets particularly in the absence protective agricultural policies, marketing boards and cooperatives that fixed prices. Under these circumstances, these sectors were required to readjust their production networks and labour relations. In most cases, adaptation involved the cutting of labour costs, a trend that drove many workers off the farms in the 1980s and 1990s (see Du Toit and Ewert, 2005; Tilley, 2003).

In addition, the democratic government is committed to transformation of commercial agriculture into a non-racial sector through the land reform programme. Among the objectives of the programme is to secure tenure for farm workers and poverty reduction through improved livelihoods generated by the transformed sector. Currently, most transformation in the Western Cape fruit and wine sectors is in the form of joint ventures between commercial farmers and farm workers (Transformation Charter, 2006). It has been argued that these ventures respond to land reform as well as enhancing the chances of preferential access to foreign markets (Du Toit and Ewert, 2005). The case study of Saamwerk was selected from the list of

land reform projects from the DLA database in the region of the Western Cape (see Table) based on the following considerations:

- It should be a land reform project;
- Have more than fifteen beneficiaries;
- Should not explicitly demonstrate strained relations, and
- It should be in the fruit or wine sector.

1.4. Summary of research methods

Field research was conducted on Saamwerk share equity scheme in June 2006 and lasted for two weeks of staying on the farm. Primary data was collected using in-depth interviews with the workers who benefited from the scheme and semi-structured interviews with the commercial farmer. It also involved a semi-structured interview with a consultant who was involved in setting up the scheme and analysis of the project documents such as the business plan and the trust deed. The overall data collection included:

- Literature review on the land reform programme in South Africa;
- Review of the DLA policy on land redistribution;
- Literature review on equity schemes and joint ventures in general;
- Participatory observation for two weeks working on the farm;
- One focus group with women beneficiaries.
- Semi-structured interviews with both commercial farmer and the consultant and in-depth interviews with workers.

An analysis of the interview transcripts and field notes was done using categorization of data into themes relevant to the study. This approach enabled summarization of participants' perspectives using categories as described in the objectives of the study. To eliminate the level of uncertainty of the data gathering and analysis, triangulation of sources was applied which often included asking the same people similar questions

at different times and asking different people the same questions. Informal discussions were held with individual farm workers about general issues on the farm and how they perceive life on the farm.

1.5. Significance of the study

Drawing lessons from studies of share equity schemes, this study reflects on the possible causes for the failure of equity schemes to generate benefits for workers. Using findings from Saamwerk equity scheme, the study assesses whether the current performance of and problems in equity schemes are fundamental to this partnership model or are because of the way equity schemes are implemented. As Lyne and Knight (2004) argue, improved institutional arrangements may save equity schemes from failing. For that reason, an inside view from the beneficiaries is important in determining reasons for the success or failure of the scheme. In other studies, measurement of the success of equity schemes was mainly based on their financial performance thus overlooking other important measures. Although that is a good measuring tool, it is not the only critical measure of equity schemes. In addition, another way to evaluate equity schemes is to look at the way in which their financial performance translates into both tangible and intangible benefits for the workers. From the findings of previous research, there is not much attention given to the experiences and perceptions of farm workers. This study contributes to the relatively small body of literature on equity schemes by placing farm workers at the centre of the analysis.

Therefore, this dissertation gives insight into the experiences and perceptions of farm workers about their participation in this scheme. The marginal status of farm workers among rural communities and their working conditions made them a difficult subject to study. The isolation of their location from the larger rural and urban communities puts them at a disadvantage in terms of access to information and in most cases they depend on their employers for access to information. This is also the case with the

Saamwerk scheme. The only time workers became aware of the land reform programme was when the employer told them. Nevertheless as important as the role of progressive employers can be, an imperative of this study is to understand the manner in which farm workers perceive themselves within share equity schemes. For that reason, the study is intended to assist relevant departments and policy makers with an inside view of beneficiaries of a scheme. At its conclusion, it reflects on recommendations on how the design and implementation of equity schemes can be improved.

1.6. Limitations of the study

Initially, the study aimed at drawing in stakeholders such as the Land Bank and the Department of Agriculture to examine their role this project. However, as it became apparent that they were not involved in setting up the scheme, my interest shifted away from them. The study relied on secondary material for its analysis of the DLA's view of equity schemes. Since the findings discussed in this research are from the Saamwerk scheme, they may not claim to explain conditions on other schemes. Initially, the study was based on the assumption that beneficiaries were aware of the structure and their role in the scheme as suggested in the business plan. However, it seemed not to be the case as beneficiaries were continuously confusing their experiences and perceptions of the scheme with those of life on the farm in general. It was also difficult to assess their level of strategic engagement within the scheme since there was no evidence of the workers' trust having held any meetings since its establishment.

Some of the beneficiaries were not comfortable talking about the scheme for fear of being disclosed to the farmer. Another limitation of the study was the difficulty in observing women at work since they were said to be on 'holiday' and only a few of them were available for a focus group. For that reason, reflections on their working conditions are rooted mainly in the subjectivity of their perceptions.

In all cases, it was difficult to interview an Afrikaans speaking respondent without requiring an interpreter and that influenced the kind of response they would give. It was difficult to get an inside view of the scheme from the workers due to the complexity in the structure of the scheme. Workers seemed to have lost the knowledge they received during the facilitation workshops. Some of them did not even remember the names of their representatives in the workers' trust.

1.7. Thesis outline

Chapter One outlines and introduces the context and circumstances in which the study was done. The chapter contains detailed background information about the research question of the study as well as the methods of data collection used to pursue that question.

Chapter Two provides a historical background of the land question in South Africa by drawing from the literature on land dispossession. It reviews the merits and demerits of the market-led approach to the land reform programme in shifting racially skewed access to land and reducing poverty through redistribution.

Chapter Three reviews the literature on joint ventures in general and equity schemes in particular. It provides a critical assessment of equity schemes and the implications of this model for land redistribution.

Chapter Four gives an overview of the Western Cape Province and the location of the case study within the province.

Chapter Five presents a detailed insight of the case study by looking at the issues that emerged from the field research. It presents findings on the performance of the scheme from the perspective and experiences of beneficiaries.

Chapter Six the chapter concludes and makes recommendations on the experiences of land redistribution in the Western Cape high value sector and on equity scheme in particular.



CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

South Africa has a complex history of inequality produced by the racial laws of colonial and apartheid governments. The post apartheid government is facing a number of challenges to address imbalance in land holding through its land reform programme. Racial land laws pushed the majority of South Africans off the land and squeezed their access to resources thus creating the preconditions for widespread rural poverty. Out of such racially based interventions, dualism emerged in South Africa's rural landscape between peasants mainly producing for but not limited to subsistence, and capitalist agriculture (Mohamed, 1998). According to Greenberg (2003), land dispossession has played a central role historically, not only in restructuring the agrarian order but also in shaping the political economy of the country as a whole. Therefore, reviewing of the post apartheid land reform programme requires a reflection on the overall historical processes the programme seeks to redress. This chapter reviews the current programme of land reform in South Africa, and the strengths and weaknesses of its mechanisms in reversing one of the enduring legacies of apartheid that is inequality in land ownership. It provides a historical background of land dispossession and the socio-economic costs it had on the majority of indigenous people in South Africa.

2.2. Historical background of land dispossession in South Africa

Initial contact of the colonial settlers with Khoikhoi people in the Western Cape in 1652 became responsible for the decline of the Khoikhoi in that region (Elphick & Malherbe, 1989). Although the initial frontier of the Europeans with the peninsular Khoikhoi was mainly trade-related for the supply of fresh food for the passing crews, the establishment of the colony and the release of the *Freeburghers* strained the relationship. Competition over access to land and labour began to characterize the new form of relationship. Keegan (1986) argues that by the mid-nineteenth century Boer pastoralists had been expanding into the interior of South Africa, displacing and incorporating indigenous people as labour. Their labour was important in view of the shortage of slaves.

Despite the need by segregationist governments to displace as many Africans from the land in the Cape as they could, there is evidence that white farmers in certain parts of the country continued to depend on the presence of local peasants for labour supply. Keegan (1986) argues that white farmers were making contractual agreements with labour tenants with the aim of having access to both their family labour and additional inputs. According to Lipton (1986) and Bundy (1988), pre-capitalist elements continued to coexist with the predominantly capitalist system. The mutual dependency under tenancy arrangements was essential to peasants retaining control over their labour power while preserving their mode of production. The relationships between white commercial farmers and black farmers under sharecropping and later labour tenancy were changed by a new demand for labour from the mining sector with the discovery of diamonds and later the growth of gold mining. According to Bundy (1988:66), the new employers 'mining' competed with the old ones 'agriculture'. Better wages paid in the mines gave the sector an edge over its agricultural competitors in terms of attracting labour. These developments did not only have negative consequences for the agricultural sector, but also provided new

market opportunities for agricultural products. Independent black farmers were competing with white commercial farmers until the late nineteenth century (Bundy, 1988).

White commercial farmers started to compete with each other for labour since they could not meet the incentives provided by the mining industry. Most importantly, some of them turned to the government to regulate the supply of cheap and coerced labour (Jeeves and Crush, 1997). Lipton (1986:89) explains the motivation of the government to restrict access to land through tenant and securing labour supply as that, farmers without tenants complained that the squatting system reduced the supply of labour by enabling 'Natives' to live without working for 'Europeans'. The government applied the Labour Regulation Act 15 of 1911 to divide the available labour between farms and mines (Jeeves & Crush, 1997). In addition to that, the state used other legislative measures to impoverish the 'Natives' for the Europeans' labour interests. The Natives Land Act 27 of 1913 and the Development and Trust Act 18 of 1936 facilitated the separation of black farmers from their means of production. The South African population became separated along racial lines. Nzimande describes the situation with the inception of the Union in 1910 as follows:

...the history of South Africa is a history of land dispossession. The entire history of colonization of our country is the history of brutal and massive land dispossession of our people. The colonial conquest culminated in the founding of South Africa in ... the establishment of a single colonial regime through the Union Act of 1910. The formation of the Union of South Africa marked the military defeat of all armed resistance by the majority of our people against Dutch and Anglo imperialism (Nzimande, 2005)

Table 1: Major Developments and Influences of Land Ownership

1913: Natives Land Act No. 27 in which land deemed to be traditionally black was identified and reserved for exclusive use and occupation by black groups, this land constituted approximately 8% of the land in South Africa.

1936: Development and Trust Act No. 18 extended this land to 13% and introduced the concept of trust land. Approximately 13% of the land in the country was therefore reserved for 80% of the population.

1950: Group Areas Act No. 36 in which forced removals were undertaken to settle communities in areas designated for their race group.

1991: Abolition of Racially Based Land Measures Act No. 108 that repealed a number of statutes regulating land rights based on racial classification.

(Source: van der Walt, 1995 cited in Mohamed, 1998:30).

The above table shows some important legislative measures used by the state to regulate racial distribution of land in South Africa. According to Lipton (1986), before the Union of South Africa, farmers like mine owners looked outside the South African borders for labour supply. Compulsion was used to source African labour for both mines and commercial farms including mass removal of the people from land. Forced removal and the imposition of hut and poll taxes finally compelled black people to seek wages from the services of the white masters (Bundy, 1988). In addition, although Africans residing on white farms were exempted from taxes, their mobility was controlled through the Masters and Servants Act of 1828 later amended in 1856. This act made it a criminal offence for farm workers to break their employment contracts or move off the farm without a written permit from the employer. In the absence of better wages on the farms, living conditions were

partially improved to retain the labour of proletariat. Ewert and Hamman (1999:208) reflect on mechanisms of retaining workers in South African wine farms as:

...after the demise of slavery in the late 1830s, a series of Master and Servants Acts, 'tied housing,' the 'tot' system² and paternalism combined to ensure a sufficient supply of labour.

In many parts of the country, food and clothing were also used in conjunction with the provision of free housing to tie workers to the farm. According to Feinstein (2005), a study of labour contracts in the districts of Tulbagh and Graaff-Reinet during the first two decades of the nineteenth century concluded that nearly half of the Khoikhoi were paid only in food and clothing.

This background shows the correlation between land and labour variables in reconciling apartheid and capitalism. Consolidation of land occupied by blacks in the reserves was central in facilitating the transformation of black farmers into a wage labourers thus capitalizing white agriculture (Bernstein, 1996, cited in Mohamed 1998). According to Lipton (1986), government was concerned about the '*verswarting van die platteland*' (blackening of the rural areas). Therefore, efforts to end labour tenancy were intensified resulting in large-scale population relocation. The extent of more than 3,5 million people were removed against their will from 1960 to 1983 (Surplus People Project, 1983). Overpopulation in the reserves that only made up of 13% of South Africa's land and the concentration of 87% of land among the minority population was an essential feature of capitalist development. Moreover, the reserves became a dumping ground for the surplus labour that neither mines nor commercial farms required as both sectors adopted labour saving technologies (Bundy, 1988, van der Walt, 1995 in Mohamed, 1998).

² The tot system was a practice of paying the workers with brandy or wine in wine farming sector of the Western Cape. The system was later abolished in the post apartheid government.

2.3. Post-apartheid land reforms in South Africa

According to Warriner (1969, in cited Adams, 1995:5), land reform can be seen as “redistribution of property or rights in land for the benefit of landless, tenants and farm labourers”. The post apartheid government’s efforts to address the land and agrarian question are caught between two different constraints regarding the manner in which land reform is to take place. One is the commitment to protection of property rights as stated in the Constitution (RSA, 1996) and the other is the macro-economic framework with its emphasis on a market-led approach to land reform. As is the case with most developing countries, South Africa finds itself under the obligation to comply with the global model of development that requires a non-interventionist state characterized by the dominance of multinational corporations (Muthien, 1989). The World Bank recommended that state should limit its intervention on developmental matters and adopt a market friendly approach. According to White (1998:17),

...the parameters of sound developmental action are thus transformed and narrowed; in economic terms, the interventionist developmental state common to many Third World countries in the 1960s and 70s became an anachronism to be replaced by a state whose functions are predominantly concerned with providing regulatory a framework for the operation of efficient markets”

The imposition of this approach by the western countries for universal application overlooks the uniqueness of individual countries’ experiences of inequality. In South Africa, land reforms by the colonial and apartheid governments were central to the production of racial inequality in this country. Therefore, this section reviews the role of post-apartheid land reform in development of non-racial South Africa. After 1994 national government elections, the new democratic government embarked on a land reform programme with the aim of redressing racially based imbalances in access and rights to land. As land struggle was always an integral part of the struggle against white domination, the unbanning of the political movements raised expectations

among rural people that land would be returned to them (ANC, 1955; Hall and Ntsebeza, forthcoming).

The advent of majority rule in South Africa in 1994 saw a series of policies designed to correct the racial imbalances that had afflicted the space economy and were in large part responsible for the poverty in South Africa (Chimhowu, 2006:29)

According to the *Reconstruction and Development Programme* (RDP) policy framework, land is the most basic need for rural dwellers; therefore, access to it is central to rural development (ANC, 1994). The objectives of land reform as envisaged in the RDP were to transfer 30% of commercial farming land to the previously disadvantaged within five years.

The land reform programme derives its mandate from the Constitution of the Republic of South Africa Act 108 of 1996 (RSA, 1996), the RDP (ANC, 1994) and the Freedom Charter (ANC, 1955). The RDP policy framework on land reform gave a priority on redistribution of land for residential and productive purposes to those who need it but cannot afford it (ANC, 1994). According to van Zyl et al (1996), the most obvious motivation for land reform is the unsustainability from a political, social, economic and equity point of view of the present distribution of the ownership of agricultural land. In South Africa, land reform encompasses both political and economic imperatives such as reconciliation and poverty reduction through increased incomes. The programme consists of three components that are restitution, redistribution and tenure reform. Although the entire content of this paper focuses on land redistribution, it will provide an outline of each component.

2.3.1. Restitution

The restitution programme seeks to restore land or compensate those removed forcibly through discriminatory laws after 1913. Section 25 (7) of the Constitution states that, “a person or community dispossessed of property after 19 June 1913 as a result of racially discriminatory laws or practices is entitled, to the extent provided by

an Act of Parliament either to restitution of that property or to equitable redress” (RSA, 1996). The programme benefits both rural and urban populations and required claimants to lodge their claims with the Commission on the Restitution of Land Rights (CRLR) before the 31st December 1998. Land dispossession preceded the Natives Land Act No 27 of 1913; therefore restitution programme excludes cases before this cut-off date. Klug (1996) argues that the Natives Land Act turned into law practices of land dispossession that were already taking place for almost 200 years.

The land under claim includes state owned and privately owned land, both rural and urban. According to Hall (2003), rural claims account for between 20% and 25% of all claims lodged, but most of these include large groups or even entire communities, while urban claims are smaller and mainly involve individual families. The majority of claims settled to date are urban claims involving cash compensation. There is a view that restitution settlement that involves cash compensation overlooks the economic significance of what people have lost as the result of forced removals (Mesthrie, 2006). In the protected areas, such as Mkhambati in the Eastern Cape Wild Coast and Makuleke in the Limpopo province, both transfer of land rights and cash compensation were used to settle community claims. Communities became involved in the joint management of land and resource use with the commercial partners.

2.3.2. Tenure Reform

According to the RDP framework, the land policy must ensure security of tenure for all South Africans (ANC, 1994:20). According to the Constitution 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 tenure which is legally secure or to comparable redress” (RSA, 1996). Land reform has the potential to have positive impact towards improving livelihoods particularly if it strengthens tenure security. Most of the rural population resides under different tenure arrangements, from communal lands to the population

residing on land owned by others. Farm workers or ‘dwellers’ appear to be the least secure category of the rural population despite the vision to secure their tenure. When their employment contract is over, farm workers stand to lose not only their jobs but also their homes. Their status was recognized from the Freedom Charter as follows, “the land shall be shared among those who work it” (ANC, 1955). Therefore, the land reform programme is set to benefit farm workers by securing their tenure on farms on which they live and work through the Extension of Security of Tenure legislation (ESTA).

According to Section 26 (3) of the Constitution of the Republic of South Africa, “no one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions” (RSA, 1996). Despite the legislation, farm evictions continue to take place at large scale without the court orders (Hall et al, 2001, Lahiff, 2001). In addition, Lahiff (2001) asserts that most of the stated objectives have remained largely unresolved as farm workers and their families continue to face forms of insecurities despite state interventions. Hall et al (2001:3) found out that:

...so far there has not been a single conviction for illegal eviction despite evidence of continued illegal evictions. Where eviction orders are sought through the correct channels, courts regularly grant such orders.

2.3.3. Redistribution

According to Section 25 (5) of the Constitution, “ 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” (RSA, 1996). Redistribution programme began in 1995, and was based on flat grant of R16 000 per household for the acquisition of land and start-up capital. This grant was known as a Settlement/Land Acquisition Grant (SLAG). To ensure that the programme reached the poor, an income ceiling of R1 500 per household was used as an eligibility criterion. The aim of this sub-programme was to provide the poor with land for

residential and productive uses in order to improve their income and quality of life (DLA, 1997). According to Aliber (2003), the pace of delivery accelerated rapidly between 1995 and March 1999 although inadequate. Under the new Land Redistribution for Agricultural Development programme (LRAD) developed in 2000, the grants were raised to a sliding scale from R20 000 up to R100 000 to help the poor and a class of black commercial farmers to access land. The new LRAD programme received criticisms for excluding the poor and encouraging the emergence of black middle class. Under this arrangement, the size of the grants depends on the beneficiaries' own contribution, thus disregarding the level of income used in SLAG as the measure for targeting the poor (Aliber, 2003, Tilley, 2003). It remains to be seen how well the programme will do in terms of enabling black farmers to participate in commercial agriculture and enabling farm workers to benefit from the programme. According to Tilley (2003) there is a possibility for the programme to benefit the few and powerful individuals.

2.4. Market-based land reform

South Africa's land reform programme to transfer land from 'Whites' to Africans was to be carried achieved through the market-led approach based on the willing buyer-willing seller principle (DLA, 1997). The market-based model has been in use in some other developing countries. According to Borras (2003), the market-led approach emerged out of the pro-market critique of state-led approaches. In explaining the disjuncture between the two approaches, Borras (2003:368) argues that:

...the pro-market critique is particularly hostile to the state-led approach's concept of 'land size ceiling' that allows landlords to own land only under a maximum farm size.

In addition, Binswanger and Deininger (1999) argued that most developing countries are experiencing distorted land markets caused primarily by interventionist states. According to Wegerif (2006), the South African democratic government followed international trends and World Bank advice by adopting a market-based approach to

land reform. Lahiff (2005) argues that the principle of market-led approach became influential in the 1990s through the World Bank. In addition, Lahiff (2005) argues that the South African model has diverged considerably from the World Bank prescriptions due to its reliance upon willing seller-willing buyer mechanisms. What was left out of the World Bank strategy was selective expropriation, land taxes, subdivision of holdings and a negotiated exit strategy (Lahiff, 2005). According to Tilley (2003), the World Bank driven model has forced South Africa to shift from would be supply-driven approach to the one that is market-driven.

In the context of high land prices and laws that prohibit subdivision of agricultural land, the DLA found new ways of delivery by encouraging people to pool their grants together and purchase a piece of land or buy shares in existing commercial farms. Results of this ‘rent a crowd’³ implementation model were poorly coordinated projects that failed to yield benefits (Jacobs et al, 2003, Quan et al 2003). There is a concern that the market-led approach does contribute to the delay in the redistribution of land. Under the market-led approach the market dictates the pace of land reform since land could only be acquired by the landless based on its availability on the land market. However, there is a concern that land markets may not be suitable for the poor dependent on the state for its subsidies to acquire land. Cousins (2000) coined the term ‘fat-cat land reforms’ in referring to the elite capturing of the land reform benefits by those who are well resourced and better positioned in the political ladder. On exploring the inherent market constraints on land acquisition by the poor, Tilley (2003:7) argued that:

...rather than seeing markets as neutral, fair and apolitical institutions, we should rather understand market as dynamic sets of informal relationships and norms... the rules of the game that inform manner in which people access and interact with the market.

³ This phrase was coined to describe the process of drawing together a large number of people into land reform projects as a means of getting more beneficiaries registered and thereby more grant finance – even though many may have little or no involvement.

The privatization tendency inherent in South African economic policies has extended its influence to such an extent that even land reform which is a government sphere, its pace and is determined by the private sector (see Tilley, 2003). The market-based and its accompanying influence of globalization and deregulation have produced mixed results in different parts of the world as well as different provinces within South Africa. It has generated some constraints that had impact on both the quality and the pace of land redistribution. According to Tilley, (2003) the traditional viticulture areas are currently profitable and it is not easy for prospective buyers using state grant and marginal Land Bank loans to gain an entry point and acquire land in these areas. An effective market based land reform requires a fully developed rural land markets and a clear demand from the poor. Under these conditions, the state intervention is deemed unnecessary (Quintana et al, 1998). Based on the South African study, Tilley (2004:30) argues that:

...in the event of there is no commodity [land] circulating in the market...the market is viewed as static and no land can therefore be acquired by land seekers. Acquisition is premised on the commodity of land circulating in the market and on the basis of there being willing sellers and buyers.

Based on the mentioned above consideration, the state's regulatory role of land transfer would be necessary in ensuring that land is transferred to those who do not have it. However, the question of stimulating the land markets by the state is an equally contested debate. Some commentators argue that land taxes have the potential to reduce land concentrations by bringing patches of unused land into market (Jacques, 1987).

2.5. Conclusion

The negotiated settlement of land reform in South Africa has been received with a great deal of criticism. An outstanding concern among South African land organizations is the slow pace in which the programme is moving. However, of most importance is not look at how fast the government can deal with land reform as such,

but the quality of the outcomes. As we will see in the following chapter, land reform has yielded unsatisfactory outcomes in all of its components particularly when judged against its objectives. According to Hall (forthcoming:88), “the persistent problem of ‘post settlement support’ and the resulting underutilization of redistributed land points to the wider policy changes beyond the realm of land reform”. Wegerif (2005) provided some results on how poorly tenure reform has performed in securing farm workers’ tenure rights. In addition, restitution both rural and urban tended to focus on financial compensation which did not take into consideration the livelihoods people lost during the process (Mesthrie, 2006). Finally, there is the powerful view emerging among critics of land reform that redistribution provides room for exclusion of the majority, mainly poor people and farm workers. This is mainly because of the complicated procedures that people have to follow such as business plans and the ‘own contributions’ they have to make in order to access the grant. Tilley, (2004) argue that there are internal land markets that among commercial farmers which effectively exclude land reform beneficiaries. Therefore, the market-led approach assumes that markets are free of political influences. The DLA with its bureaucratic procedures and inflexible grant system put some limits on the poor to participate as willing buyers on the market.

CHAPTER THREE: SHARE EQUITY SCHEMES

3.1. Introduction

In the Western Cape fruit and wine sectors, farm workers have benefited from land reform through the formation of partnerships with commercial farmers in return for a share of ownership in the agricultural company. These partnerships are a continuity of developments that have been in place within industrial and later in agricultural sectors (Spies, 2000 in Du Toit and Ewert, 2002). Hart (1995) argues that the distinguishing feature of the U.S. or U.K. style of public company is characterized by a large number of small owners who are too small to exercise control on day to day basis. According to Asmon (undated), since 1974, over 11 millions U.S. employees have become part owners of over 11 000 corporations. Employee Share Ownership Schemes (ESOS) sometimes referred to as Employee Share Ownership Programme (ESOP) were developed with the aim of improving productivity and labour relations (Asmon, undated) or increased organizational effectiveness through sharing of power and control (Kanter, 1979; Tannenbaum, 1986).

In the context of land reform in South Africa, the ESOS model is being adopted by the DLA as an experiment of new ways of integrating the poor in the land-based economy. Du Toit and Ewert (2002) question the underlying assumptions of worker empowerment through equity sharing. As the principal objective of ESOS, empowerment can be perceived not only through the workers' commitment to productivity but also through the measure of participation at management and decision making level. Fast (1998) and Tilley (2003) have done studies on the impact of equity schemes, Menon (1995) surveyed 311 employees of a corporation to determine the impact of ESOS. Outcomes of these and other studies shed light on varying experiences based on the nature and objectives for each study.

In response to the mixed findings on these studies and consequent debates thereof, this chapter reviews the literature on the background of ESOS to evaluate how these have or have not benefited the workers. It provides background studies on why partnership models emerged as a popular form of wealth redistribution in both industrial and agricultural sectors.

3.2. Employee share ownership schemes

According to Asmon (undated: 11), ‘ownership economics’ or economic democracy focuses on the questions of who owns the productive assets of society and the manner in which ownership can be better distributed. Therefore, share ownership is a model which broadens capital ownership among the workers. Asmon (undated) argues that:

...ESOPs and similar financial mechanisms create access to productive credit for employees who normally do not have such access due to lack of collateral...ESOP allows employees to purchase shares with no money down, no salary deduction, no commitment of the employees’ pension fund and no personal liability.

This form of shared ownership traces its roots from the concept of ‘empowerment’ which means giving power to people who are at a disadvantaged position in the organization (Kanter, 1977). ESOS are usually created by management on behalf of the workers. There are concerns about the significance of benefits accruing to workers as a return on their investment.

The NGO sector advances an argument which regards private sector’s vested interest in these partnerships as a way of re-regulating itself in a highly competitive business environment and get maximum returns from the committed workforce (see Du Toit and Ewert, 2002; Mayson, 2003). In addition, while share ownership implies the sharing of management responsibilities, profit and risks, and has not empowered the workers to participate in managerial decisions. Menon (1995) found that there was role ambiguity and role conflict in the work environment leading to decreased perceptions of control and lower empowerment. However, what ESOS have succeeded in doing is to enlarge profit margins from committed workforce and limited the role of trade unions in bargaining for workers’ rights.

3.3. Joint ventures

A joint venture (JV) is defined as a strategic alliance between two or more parties to undertake economic activity together. According to Phillip (2003:3), “people all over the world have found ways to co-operate in the production and distribution of goods and services, across different types of economic systems”. The Department of Land Affairs (DLA) recognizes the importance of partnership agreements or joint ventures between the private sector and the land reform beneficiaries as an essential step towards broadening the base of land ownership (DLA, 1997). Beneficiaries of land reform can use their grants to acquire shares in a business enterprise either separate but most commonly with their employers. Based on its vision of non-racial agrarian economies, the DLA supports initiatives by the private sector that engage previously disadvantaged people in commercial enterprises. In the case of farm workers, the *White Paper on South African Land Policy* states that:

...Provincial Directors have authority to follow up initiatives, accessing specialists advise where and when necessary to support farm workers and land owners to prepare partnership agreement (DLA, 1997).

It is the argued that primary driving force towards developing joint ventures derives from the costs of implementation of land reform through the market-based model (see Hall et al 2001). The decline of agricultural co-operatives South African agriculture through de-regulation of marketing and production activities rendered the sector susceptible to shocks. Therefore, an interest on new forms of joint ventures became inevitable as a solution to the agricultural problems through sharing of risks and profits. In both the restitution and the redistribution components of land reform, joint ventures are becoming an integral part. Mayson (2003) identifies five forms of joint venture options available for use in land reform programme. These are: contract farming, share equity schemes, municipal commonage schemes, sharecropping and company-supported schemes. There are conflicting views regarding the extent to which these arrangements achieve the objectives of land reform. Before getting into

the crux of the debate around these partnerships, it is important to give an outline of the structure of each partnership.

- **Contract farming:** involves an agreement between beneficiaries of land reform, processors or marketing firms. The arrangement requires that the farmer produces goods in quantity and standards determined by the purchaser. In this case the purchaser offers additional assistance in the form of inputs to ensure quality standards are adhered to. In South Africa, these arrangements exist mainly in Kwa-Zulu-Natal sugar plantations and in the forest plantations. According to Mayson (2003), these arrangements occur within land reform programme on freehold areas when processing companies withdraw from production activities they consider less profitable.
- **Share equity schemes:** in this arrangement, farm workers use their land reform grants to buy shares in the farm they are working in. Their grants are invested in the operating company of the farm in return for a share of dividends. This arrangement is predominant in the high value agricultural sectors such as fruit and wine.
- **Sharecropping:** this is an arrangement between land owners and tenants where instead of paying cash for rent, the tenant is also obliged to give the landlord a share of the produce. In South Africa, this was a common practice used by black farmers to retain some hold of the land and engage in commercial agriculture before and even after the Native Land Act 27 of 1913 outlawed sharecropping (Keegan, 1998; Bundy, 1988).
- **Municipal commonage:** this involves the provision of access municipal land for local people for productive purposes. Aspiring small-scale farmers may use this land either for grazing or small-scale cultivation. The DLA encourages local authorities to integrate land reform in their development plans.

- Company-supported schemes: these arise from the commitment by private companies or non-profit organizations such as churches to social responsibility. According to Mayson (2003) these arrangements fulfill a number of purposes for companies in that they uplift the living standards of local people and contribute to increased commitment by the workforce. It also serves as a marketing tool by projecting an image of a progressive company that cares for social well-being more than just making a profit (see Du Toit and Ewert, 2002).

According to Mayson (2003:2), although the DLA is entrusted with the implementation of land reform, “it appears to have no mechanism to monitor joint ventures which are part of the land reform programme”. Although it has policies to facilitate the development of joint ventures; in most cases, joint ventures are usually initiated by the private sector. Various corporate and commercial actors have a direct interest in developing joint ventures with previously disadvantaged people. Mayson (2003) argues that joint ventures involving the private sector and poor people should be addressed with much circumspection. This sentiment derives from studies of joint ventures that are financed through land reform grants in South Africa. Although there are legal entities managing different forms of joint ventures, a number of factors influence how decisions are made with regard to sharing of dividends and other management decisions. Participation on decision making level in the scheme is determined by the percentage of shares held by each partner.

3.4. Benefits of equity schemes

Equity schemes are regarded as the best mechanisms of sharing land ownership without having to sub-divide it into smaller parcels (McKenzie, 1993). In addition, Winberg (undated) argues that the notion of small-scale farming is not valid in the wine sector; therefore, equity schemes open up this agricultural sector for workers. Both these views suggest that equity schemes overcome the inherent problems of transferring land within the existing land reform programme. Some equity schemes

are financed entirely through the DLA land reform grants while others involve additional sources such as the Land Reform Credit facility (LRCF) which received initial funds from the European Union (EU). The LRCF opens up opportunities for the poor by overcoming the reluctance of commercial banks to lend to poor people. The DLA lend funds from the commercial banks at reduced interest rates for the purpose of land reform. Without this arrangement, poor people would not be considered creditworthy by commercial banks. According to Hamman (2002), the basic principles of any successful land reform institution include transparent decision-making, financial accountability, democratically elected governance and clear entry and exit mechanisms. Since poverty reduction is central to the objectives of land reform, it is expected that equity schemes should improve the level of farm workers' income. Realization of these benefits depends on the kind of arrangements entered into by equity partners (see Hamman, 2000). In some equity schemes, financial benefits could only be realized in the long-term in the form of capital appreciation while in others short-term benefits may through regular cash flow. Cartwright (2006: pers.comm) argues that a conflict of interest may exist in which land reform beneficiaries may prefer short-term cash returns while established business people can wait longer⁴.

There is a debate about the merits and de-merits of equity schemes in realizing the objectives of land reform. Critics argue that equity schemes are usually initiated by commercial farmers, to further their financial interests (Mayson, 2003; Fast, 1998). In particular, Mayson (2004) argues that equity schemes are used by indebted commercial farmers to rescue them from financial crisis. In addition, Fast (1998) argues that equity schemes exposes farm workers to risks that are inherent in commercial farming. Proponents of equity schemes argue that poor the performance of certain schemes should not be seen as indicative of a fundamental flaw of the model itself (Lyne and Roth, 2003; Knight and Lyne, 2004). The key argument pioneered by proponents of equity schemes is that good institutional arrangements

⁴ Cartwright of Hamman and Schumann Consulting Company which developed Saamwerk scheme was interviewed on 22 August 2006 in Cape Town.

can save equity schemes from failing. The following section draws on the debate on how equity schemes have performed in relation to the objectives of land reform.

3.5. Synthesizing the debate on equity schemes

Although the model of equity schemes predates the current land reform programme, its integration to the programme has drawn it into debates on the performance and policies of land reform. A comprehensive study of the performance of equity schemes was done by Fast of Surplus People Project in 1998 in Mpumalanga and the Western Cape. This study is one of the few studies that have looked at the benefits of equity schemes from the perspective of beneficiaries. The study found that farm workers were generally disappointed about the lack of visible benefits such as increased incomes (Fast, 1999). As Mayson (2006: pers.comm.) argue, “You are looking at the wrong place if you are looking for profits and dividends in equity schemes”. Du Toit (2006: pers.comm.), argues that:

...the debate should not only be focusing on whether equity schemes are bringing some changes on the farms; but the most important question we should ask ourselves is what kind of changes do we want to see in the rural landscape.

Du Toit considers the changing rural landscape as a response to the forces beyond the scope of land reform (Du Toit 2006⁵; Du Toit and Ewert, 2002). These authors argue that integration of local industries into global markets pioneered the kind of changes that are happening. In the case of wine industry, farm workers are given shares and options in their business (Du Toit and Ewert, 2002).

Lyne and Roth, (2004) argue that equity schemes provide the best opportunity to change ownership structure of the enterprise rather than dividing the land into smaller units that could decrease productivity. This view is derived from the perceived

⁵ Comment was made from the Roundtable debate on share equity schemes held at PLAAS on the 26 July 2006.

relationship between farm size and productivity which holds that big farms are more productive than smaller ones (see Deininger and May, undated). Based on these considerations, equity schemes are a way of balancing growth and redistribution of ownership. In addition, Cartwright (2006: pers.comm.) argues that equity schemes provide an easy way for government to do land reform. However, equity schemes do not embrace the long term developmental objectives of land reform in transferring the ownership of land. Hopkins (2006: pers.comm.)⁶ argues that there is a gap between ownership and management of the business; many people do not have expertise of management as result they turn to equity schemes to be able to share skills and benefits. Emphasizing the role of equity schemes; Hopkins (2006: pers.comm.) argues that “there are both business and social benefits in equity schemes; because farming is a business not social welfare, equity schemes tackles both”.

3.6. Framework for evaluating equity schemes

There is a growing interest in studying equity schemes in order to address the policy question on whether it is worth spending public resources on their development. The critical concern with land reform is not only the extent of the land that has been transferred, but also the quality of the outcomes. A growing concern about the merits of equity schemes in transferring land and agricultural based economies exists within the Non Governmental Organisations (NGOs). According to Jacobs of SPP, equity schemes need to be isolated from the land reform objectives since they are present a temporary delay of the broader agrarian reforms (2006: pers.comm.). This concern is based on the fact that equity schemes do not fundamentally change land ownership, therefore they cannot be entrusted to have an impact on agrarian reform. In this section, this dissertation provides that can be used to measure the performance of equity schemes based on stated land reform objectives.

⁶ Comment was made from the Roundtable debate on share equity schemes held at PLAAS on the 26 July 2006.

3.6.1. Livelihoods

Among other requirements of equity schemes, a successful equity scheme should be able to redistribute wealth among poor people. Du Toit and Ewert (2005) argue that the impact of equity schemes on the livelihoods of beneficiaries requires further research. According to Du Toit (2006, pers.comm.), although equity schemes may secure the existing livelihoods, they do not create new ones. Improvement of livelihoods is central to the DLA's land redistribution programme. Although equity schemes have been seen as a means to bring about greater cash incomes among farm workers, experience shows that this has not yet been achieved since many schemes have not generated visible benefits (Fast, 1999; Mayon, 2003). In addition, share equity schemes have not presented a solution to the shedding of agricultural workers that took place since the 1980s.

According to Fast (1999), evidence from the schemes evaluated during the study of 1998 found a differential impact in terms of job creation with Whitehall in the Western having shed a number of jobs. She argues that the increase in productivity in Whitehall was not accompanied by an increase in number of jobs. The opposite was observed in Hoogland equity scheme in Mpumalanga where increased productivity resulted in the creation of new the enterprises thus resulting in new job opportunities. Fast (1999) concluded that the lack of benefits in Whitehall was an indication that the main objective for the commercial farmer was to reduce debt.

Further investigation needs to be done to find a middle way in which interests of both partners can be consolidated the factors that constrain the flow of short-term financial benefits. According to Moseley (2004), although Bouwland equity scheme in citrus industry in the Western Cape was doing well in terms of production, it was difficult to translate that into benefits due to substantial developmental costs the scheme had inherited. Winberg (undated) agrees that recapitalization is part of the contract therefore investment in equity schemes is not without risk. In addition, she argues that "share equity schemes are unpredictable like other agricultural enterprises in the

world” (Winberg, undated: 20). While these factors seem to offer an explanation for the delay of visible benefits in equity schemes, they cannot substitute for the need to explore diversification of rural livelihoods.

3.6.2. Power and gender relations

A second measure of success in equity schemes is a change in power relations. Critics of equity schemes argue that power relations remain unequal on South African commercial farms and that this reflects centuries of racial paternalism (Ewert and Hamman, 1999; Du Toit and Ewert, 2005). Paternalism that characterized white commercial farms is sustained by employment conditions such as tied housing which restrict not only employment mobility but also residential mobility and is central to persistence of skewed power relations (Du Toit and Robins, 1995; Du Toit and Ewert; 2005; Mohamed, 1998). Du Toit and Robins (1995) further argued that, “despite modernization and change, paternalistic realities continue in farm workers’ lives. Power relations are a crucial determining factor of the benefits expected of equity schemes. The tenet for the establishment of equity schemes suggests that the recipients of the grants will be both a co-owner and an employee of the farm (Didiza, 1998). Fast (1999) and Tilley (2003) noted a number of areas of confusion emerging in share equity schemes due to the conflation of the two roles played by the farm workers. On the one hand they are shareholders on the farm while on the other they are employees. Mayson (2003) describes equity schemes as the meeting of two parties with unequal power.

Equity schemes have also been criticized for failure to transform conditions of women on the farms. Women have always formed the largest number in the pool of seasonal and marginal workers. Their participation in equity schemes has brought no significant changes to their status. According to Mayson (2003) men are the only full-time workers on the farms, and access to accommodation is sought through their contract. This has huge implications for power relations between men and women in equity schemes particularly when grants are individualized. Although the DLA

memorandum requires equal representation between men and women, there are still underlying gender inequalities within equity schemes.

Lack of mentorship within the schemes makes them vulnerable to abuse by commercial farmers (Cartwright, 2006, pers.comm). In addition, Cartwright suggested that equity schemes require a level of sophistication in terms monitoring and intervention which is not currently in place within the DLA. Farm workers as beneficiaries of land reform need to be empowered through skills development which will in turn enable them to take advantage of the opportunities of participating in business ventures. In the absence of clear guidelines for the implementation of skills transfer there is a serious concern about the sustainability of share equity schemes. In addition, this seeming lack of commitment from the DLA in monitoring equity schemes may be responsible for the sustenance commercial farmers' domination of the projects. There is a concern within the NGO sectors that equity schemes do not guarantee the long-term objective of transformation of commercial farms (Jacobs, 2006: pers.comm.).

3.6.3. Tenure security

The relationship between employment and housing on the farms is a complex one. According to Nonyana (2004:5),

...research has revealed that more often than not, the nature of the relationship between the 'occupier' and farm owner is shaped in such a way that the 'occupier' is permitted to reside on the owners' land as long as the contract of employment continues to exist.

According to Fast (1999), farm workers' choices of residential mobility remain restricted as long as housing continues to be tied to employment as is the case with other schemes. This shows how strong the link between staying and working on the farms can be regardless of what the law says. Fast (1999) regards tenure security as a

fundamental base for land reform therefore it should be secured in all land reform projects. According to the *White Paper on South African Land Policy*;

...in the past, subsidies were provided to the farm owner for the improvement of farm housing. Government now wishes to direct the subsidy to the farm workers and their families in a way that would improve tenure security and at the same time contribute to more equitable ownership and to contribute to reconciliation and harmony (DLA, 1997:45).

Notwithstanding the DLA policy, most equity schemes are structured in a way that marginalizes security of tenure. According to Mayson (2003), De Kamp Boerdery equity scheme in the Western Cape does not fit the DLA criteria since there is no increase in tenure security over and above the rights under ESTA. At this stage, only those schemes which involved the actual transfer of land can guarantee security of tenure. In cases where the government is the owner of the land in question; such as in the case of the Lebanon village in Thandi scheme, the government usually becomes a partner in the equity scheme instead of donating his portion of the land to the landless. South African Forestry Company Limited (SAFCOL), a state department who owned part of the land which forms part of the scheme, has become the partner of in Thandi equity scheme. This raises some serious questions about the commitment of the government to land reform in general and to tenure security in particular.

3.7. Conclusion

Even if equity schemes are seen in the light of providing alternative ways of implementing land reform, they have generally done little in addressing the needs of farm workers hence the question about farmers' motivations. Equity schemes do not necessarily improve job security and tenure security, but are seen as a means to bring about greater cash income among farm workers and to shift power relations between employers and workers. This study have discovered a framework for assessing equity schemes based on the three criteria such as livelihoods, power and gender relations and security of tenure for farm workers.

CHAPTER FOUR: DESCRIPTION OF THE CASE STUDY AREA AND THE ORIGINS OF SAAMWERK EQUITY SCHEME

4.1. Introduction

This chapter gives an outline of the origins and design of the case study and the province in which the research is based. It looks at implications of the capital intensive agriculture for land prices and reviews the existing mechanisms available for land redistribution in these sectors. Table 4 shows price differentiation of land in relation to the agricultural zones of the province. The following section describes the role played by the agricultural sector in the economy of the Western Cape.

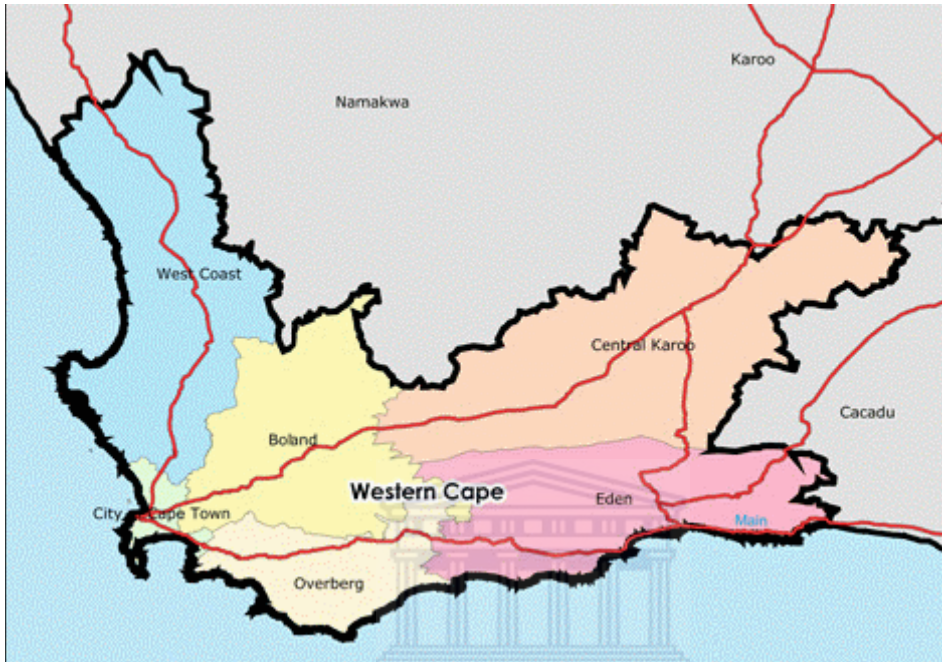
4.2. Overview of the Western Cape

The Western Cape lies in the south western tip of the African Continent (see. Fig.1). There are about 4.2 million people living in the province (SSA, 2001). Population distribution in the province shows that Coloureds are the majority group (58.9%) followed by Africans (22.3%), Whites (18.1%) and Asians/Indians (0.6%) (SSA, 2001). The province includes the Mediterranean region with rainfall estimated at 2,000 mm to less than 150 mm per annum in the little Karoo and West Coast. Agriculture plays a vital role in the economy of the province. The Western Cape is second to the Free State in terms of distribution of commercial farming units with 7 185 commercial farms relative to 80 0531 of the Free State (SSA, 2002). The agricultural sector accounts for 13% of formal job opportunities in the province (Pauw, 2005). However, international and national changes in agro-food production that took place from the early 1970s and particularly from the 1990s limited the

sector's employment shares (Du Toit, 2004). While the fruit and the wine sectors were also affected by these changes, they remain the largest earner of foreign capital from South African agricultural products contributing notably to the national Gross Domestic Product (GDP) (SSA, 2002). The fruit and wine sectors did not only respond to changes in the agricultural sector through labour shedding, but also through restructuring in production thus adding more value to its products.

The Western Cape consists of six district municipalities, namely: City of Cape Town, West Coast, Boland (now Cape Winelands), Central Karoo, Eden and Overberg (see Figure1). The nature of agricultural activities determines concentration of agricultural households in the province. According to the Income Expenditure Survey (IES) and Labour-force Survey (PROVIDE, 2000), the Overberg district has the highest concentration of agricultural households while the Karoo region has less due to the lower labour intensity required by its farming practice. Commercial agriculture in the province emerged from the history of agricultural support from both colonial and apartheid governments. Agricultural support programmes included segregationist land laws and labour control as well as controlled marketing and input subsidies (see Table 1).

Figure 1: The Districts of the Western Cape Province



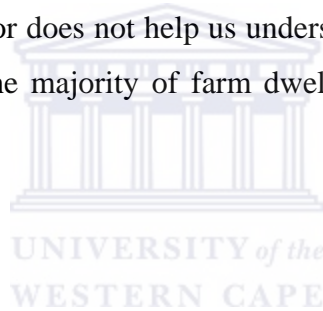
Source: Demarcation Board, (undated).

4.2.1. Overview of the Overberg District

The Overberg district consists of four local municipalities, namely: Cape Agulhas, Overstrand, Swellendam and Theewaterskloof local municipalities (see Figure 2). The Overberg district has two agro-ecological zones with grain being grown around Caledon, Villiersdorp, and Bredasdorp and deciduous fruit belts in areas such as Grabouw and Botriver (Theewaterskloof, 2005). The fruit and wine sub-sectors are leading the agricultural economy after grain fell out of favour as a lucrative trading commodity in international markets in the early 1980s and particularly 1990s. In the Overberg region, agricultural sector is the largest employer. According to the IES, the

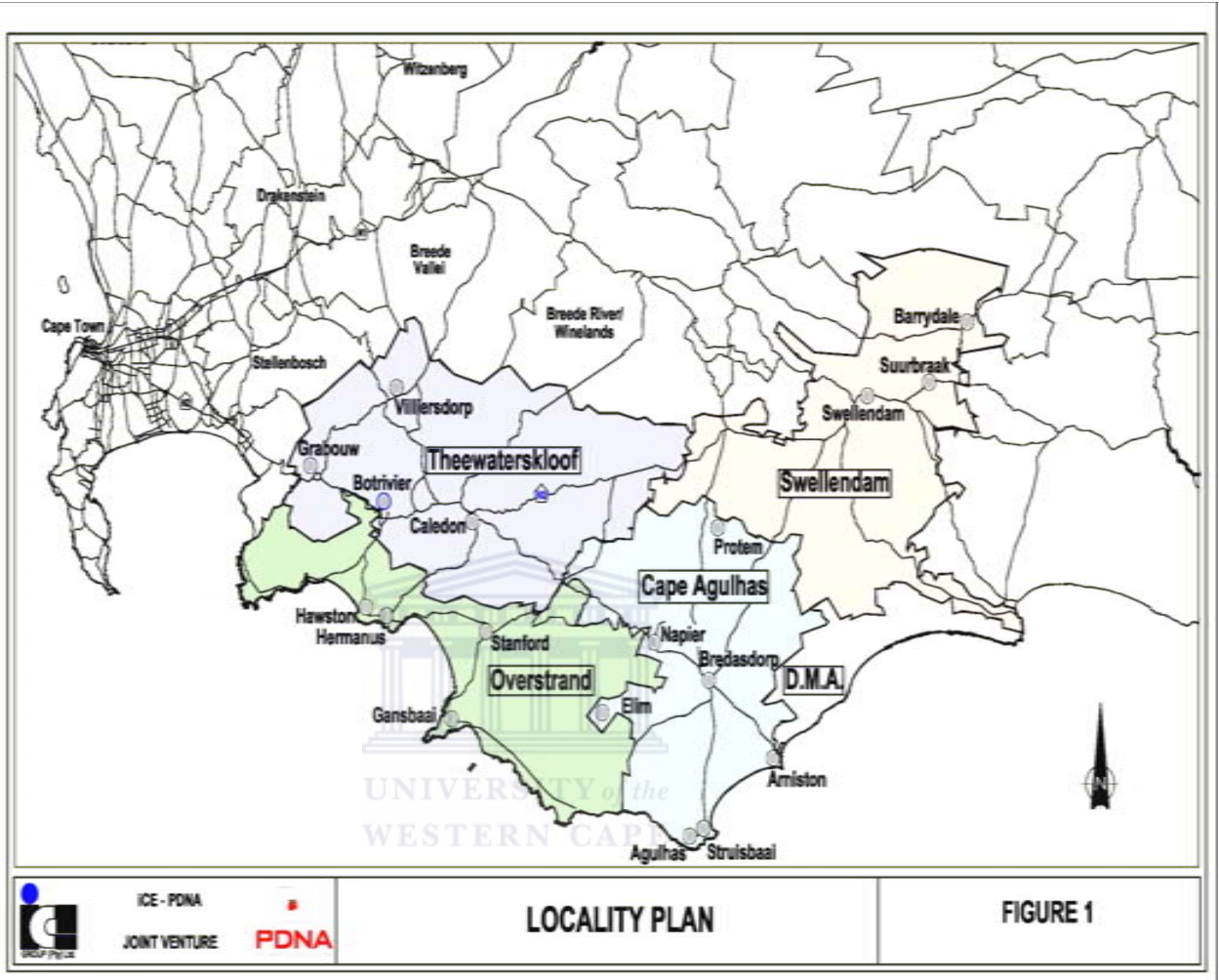
Overberg region has the highest concentration of agricultural households compared other regions of the Western Cape⁷ (Pauw, 2005).

Despite the success of the agricultural sector in this province, high levels of inequality and poverty remain a noticeable feature (Du Toit, 2004). There is a marked racial inequality in terms of income distribution within agricultural households. Although the Coloured and African population are the majority of the people living and working on commercial farms, they also constitute the largest rural population affected by poverty. According to Census 2001, there is virtually no poverty among white people (SSA, 2003a). However, rural poverty is not unique to the Overberg district it is recognized as a typical phenomenon in South Africa's countryside. Based on that recognition, the National Department of Agriculture (NDA) (1998) has placed a strong emphasis on rural poverty reduction. Although poverty is usually linked to unemployment, this indicator does not help us understand the dynamics of poverty in commercial farms where the majority of farm dwellers are also employed (see Du Toit, 2004).



⁷ Agricultural household is broadly defined as any household that earns income from either formal employment in agricultural industry or as a skilled agricultural worker, or from sales or consumption of home produce or livestock. (SSA, 2001).

Figure 2: Municipal Breakdown of the Overberg District



Source: Capegateway (undated)

4.3. Saamwerk equity scheme⁸

4.3.1. Background of the scheme

Saamwerk is a share equity scheme on a 105 hectare fruit and wine farm located approximately 18 kilometres outside Grabouw. In 1997, the farm exchanged ownership and has since switched from a predominantly fruit to a wine producing farm. According to the business plan, the farm is situated in a unique micro-climate conducive for the cultivation of high quality wine grapes (Saamwerk, 1999: 5). Old orchards are being replaced with vineyards. The farm has planted 24 hectares of vineyards with only 13 hectares in full production in 2006 (Farmer, 2006: pers.comm⁹).

In 1998, the new owner decided to involve his workers in the farming business through a share equity scheme arrangement. The owner approached the consultant company of Hamman and Schumann to assist the farm workers in their application for land reform grants. According to the commercial farmer, the scheme was established because he wanted his workers to benefit from the DLA grants to enable them to buy a house when they leave the farm (Farmer, 2006). In 1999, Hamman and Schumann consulting company was formally appointed to help the workers in the preparation of a business plan and a trust deed (Saamwerk, 1999). Cartwright was appointed to do a financial viability study of the scheme as a requirement for the release of the land reform grants. Applications for the SLAG grants were submitted on behalf of the 42 households working and residing on the farm in 1999(see Table 2).

According to Cartwright, all the workers agreed to participate in the scheme except the two who wanted to leave the farm but argued that the choice of the workers to participate in the scheme was an obvious one: “there was no downside to it because it

⁸ This chapter quotes extensively from the project documents such as the Workers’ Trust deed and the business plan. As a commitment to the confidentiality of this study, these references are not referred to their original names.

⁹ Interview with the commercial farmer 14 June 2006.

was the only way of getting R15 000 from the government". In 2001, the scheme was approved with membership of 42 households permanently employed on the farm and their dependants. Workers pooled together their R16 000 land reform grants to the total amount of R 672 000 which enabled them to buy a share of 10.7% in Saamwerk. Saamwerk farm and its assets such as land and movables were valued at R6.25 million. Cartwright (2006: pers.comm.) argues that the scheme was overvalued in the sense that:

They valued the land and everything that was on it. I think what we should have done was to value just the business because it is not really about land; it is about values and dividends. To value just the business would have given the workers a bigger share.

According to the business plan (Saamwerk, 1999), it was recommended that in order to structure their investment symmetrically to that of other partners, beneficiaries' money be put on an 'interest free loan account'. The trust deed states that the trust funds would consist of any profits made from the share bearing in Saamwerk farm (Saamwerk Workers' Trust, 2000). This was based on the agreement that should the money be used to establish new vineyards, and contribute to the capital growth experienced by all shareholders (Saamwerk, 1999).

According to the financial viability study, because the farm is undergoing a developmental stage, most of the returns accruing to equity partners will be in the form of capital growth and not dividends till all development costs are settled (Saamwerk, 1999). According to the business plan, a memorandum of understanding between the equity partners was to offer workers a choice between dividends before development costs or dividends after development cost. According to the farmer, workers of Saamwerk understand the value of building the business; therefore they understand that business needs money to grow (Farmer, 2006).

In 2003, an extent of 38.08 hectares and 160 cubic meters of the 500 000 cubic metre dam were sold to Tokara. According to the farmer (2006: pers.comm.), part of the land that was sold had some orchards on it while the remainder was undeveloped. The money for the land and the dam was reinvested in the business. The major investment

in Saamwerk was the development of the wine cellar in 2004. Currently, Saamwerk makes its own wine and sells it under its own brand. According to the farmer, 70% of their wine is exported to Europe while South Africa is their second biggest market.

4.3.2. Profile of beneficiaries

Initial beneficiaries of Saamwerk equity scheme consists of all persons who are employees of Saamwerk and their dependents. The applicants met the requirements for Settlement Land Acquisition Grants as stipulated in the *White Paper* in that they were landless and had income below R1 500 monthly per household. With the exception of two individual households, all other applicants' average income per household was R719. A large number of applicants were Xhosa speaking from the Eastern Cape. According to the memorandum of understanding for the release of the grants, Xhosa speakers are amongst the most marginalized farm workers in the Western Cape and should therefore be prioritized as recipients of the grants (DLA, 2000).

The majority of workers have been on the farm for more than twenty years while two were born on the farm. Five workers were trained in certain positions on the farm such as a chief pest controller, an assistant wine maker, and vineyard and orchards supervisors. They are in charge of their respective production areas that involve teams of workers. Apart from one woman who works at the administration, no other woman received training. The women are reported to be working nearly ten months a year particularly during harvesting and wine bottling when their labour is needed mostly and this overlaps with the period when the farm hires seasonal labour. During the time of the year when their labour is not needed, some women are unemployed while one has a part-time job off-farm during the off-season. Wages between women and men are not the same. According to the farmer, women are not willing to perform task they consider as energy-taxing (Farmer, 2006).

Table 2. Applicant profile

Name of community or individual	Saamwerk Workers' Trust
Number of households	42
Number of people involved	86
Number of adult women with/out dependants	31
Number of female headed households	14
Average income	R719,00

Source: Department of Land Affairs, 2000

4.3.3. Institutional arrangements

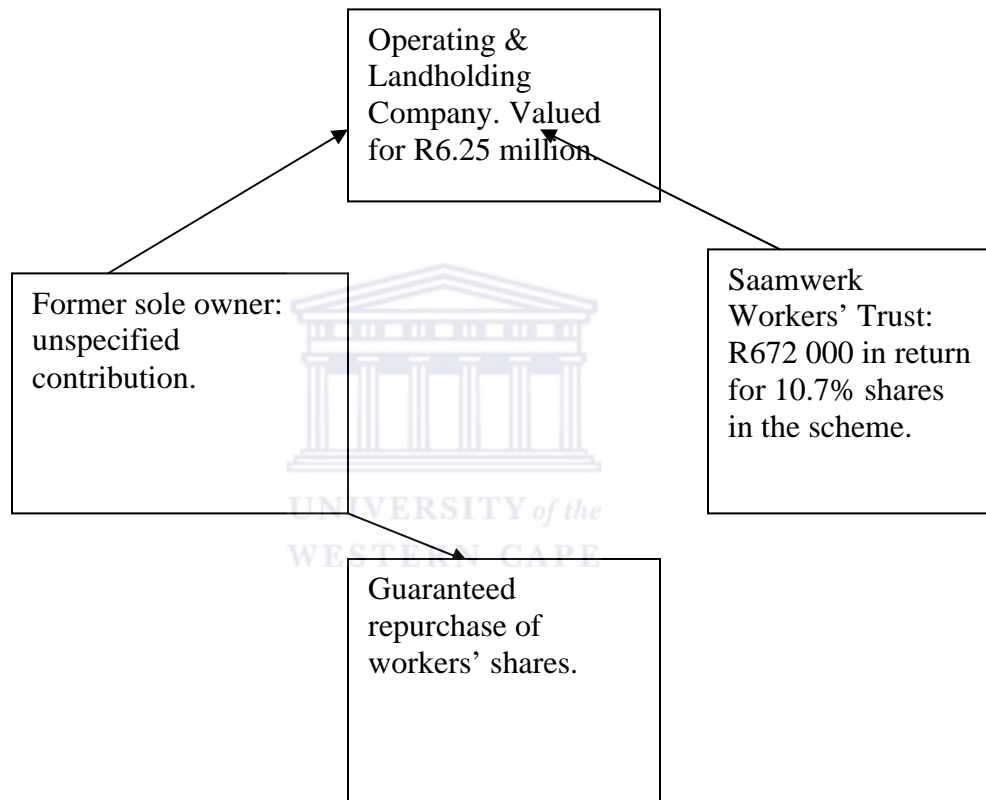
Saamwerk Workers' Trust was formed as the legal entity to hold shares on behalf of the workers in accordance with article 6(1) of the Control of Trust Goods Act 57 of 1988. The trust consists of six trustees elected by the workers and according to the deed; trustees would serve for a period of two years (Saamwerk Workers' Trust, 2000). According to the business plan, "there are no impediments for women's participation in the scheme, they have independent control over their portion of the grant and may use it as they deem fit" (Saamwerk, 1999: 3). There is a guarantee of equal access to positions of power; three of the six trustees are women (Saamwerk, 2000). Among the duties of the trust is to represent workers at management level and look after their financial interests as stipulated in the deed. Paragraph 3.1 of the trust deed states that, "the trust has to improve the social and economic interests of the workers of [Saamwerk] their spouses and dependants, in their capacity as beneficiaries of the trust" (Saamwerk Workers' Trust, 2000). The farmer in Saamwerk equity scheme says he takes major decisions. According to the farmer, workers are currently not involved in the decision-making due to their low level of literacy.

The skills development has to start at the basic level. The financial side of the business is very complicated to them at this stage. I would like to give them more training to be able to engage them in management positions of the business" (Farmer, 2006).

On their exit from the scheme, an understanding was reached among the equity partners stipulating that a majority shareholder who is a commercial farmer will guarantee a market for workers' shares at an audited value (Saamwerk Workers' Trust, 2000). On the other hand, Saamwerk Workers' Trust may also buy-out the shares of an out going beneficiary under similar arrangements as those applicable to the majority shareholder. In an event where the trust becomes a buyer, the value of all the remaining beneficiaries' shares will increase proportionally to the value of shares bought by the trust. This may logically increase the bargaining power of the workers' trust. However, in an event where the trust does not have sufficient funds, the value of the trust shares will drop when its members' shares are purchased by the farmer. This is a major concern regarding sustainability of this scheme as a land reform project. As a farmer continues to be the only partner who is obliged and may afford to buy beneficiaries shares, the future of the Saamwerk is that it will revert to 100% ownership by the farmer.



Figure 3: Structure of Saamwerk equity scheme¹⁰



¹⁰ This structural arrangement is an illustration of what Hamman (2003) describes.

4.4. Conclusion

This chapter provided an overview of the Western Cape agricultural sector and a background Saamwerk equity scheme. The above diagram (figure 4) illustrates the institutional arrangements of the scheme. According to Cartwright (2006: pers.comm.), the scheme was structured in such a way that ensures the security of workers' investment by providing a guaranteed market for the value of workers' shares. Although both the workers and the commercial farmer are exposed to the risk of farming business, their experience of the business failure would not be the same. What is positive about the scheme is the clause that guarantees return of workers' investments which minimizes the risk they would incur should the scheme fail. Cartwright (2006: pers.comm.) argues that a financial viability study discovered that farm workers were entering into a risky business based on debts and equity ratio. Although exit mechanisms looks clear in both the business plan and the trust deed, the farmer is the one who benefited the most from this deal. According to Cartwright (2006: pers.comm.), the farmer has had a good deal in buying and developing the farm with the workers' money instead of going to the bank to borrow money and pay interest.

CHAPTER FIVE: FARM WORKERS' PERCEPTIONS OF SAAMWERK EQUITY SCHEME

5.1. Introduction

In the preceding chapter of this thesis, a brief overview of the nature of the Western Cape agricultural sector was provided. An attempt was made to place the land reform programme within the context the capital intensive agricultural practices and implications on land prices. It described and highlighted issues that either facilitate or impede the successful implementation of successful land redistribution in high value sectors. A detailed background of Saamwerk equity scheme was given as an example of how the land redistribution programme has been implemented within the Western Cape fruit and wine sectors.

This chapter examines the performance of Saamwerk equity scheme in relation to ways in which it has addressed the objectives of land reform. Previous studies that laid a foundation for this thesis have adopted different measures in evaluating the performance of share equity schemes. However, few studies have attempted to evaluate the success of equity schemes from the perspectives of farm workers apart from the notable works of Fast (1999) and Tilley (2003). In considering the importance of this neglected area, the case study of Saamwerk equity scheme draws from the perspectives of workers or beneficiaries to understand ways in which they have experienced changes or lack of changes due to their participation in the scheme.

It reviews both tangible and intangible benefits associated with the workers' participation in an equity scheme. In doing that, the chapter examines the ways in which Saamwerk scheme has or has not improved the conditions of Saamwerk workers in relation to three key objectives that are central to DLA's support for the establishment of equity schemes. The following indicators: livelihoods, power and gender relations and tenure security are

employed as measuring tools for evaluating the performance of Saamwerk equity scheme, by focusing on the perceptions and experiences of beneficiaries.

5.2. Livelihoods

The only sources of income for the beneficiaries of Saamwerk scheme are wages and to a lesser extent social grants. Their wages are reviewed every year in accordance with the sectoral determination for agricultural workers. The salary of the workers differs from one worker to the other depending to the type of work and skills each one has. Along with a wage differentiation across the farm work force, there is also a gender difference in earnings among the workers. Workers' salaries ranges from R1000; R 1 200 per month, and R450 to R540 per fortnight; women are generally place at the lowest notch. According to the farmer, women are reluctant to do certain tasks they consider as heavy (Farmer, 2006). Some of the tasks in which women do not participate include the pruning of orchards. However, women do not consider the reason given by the farmer as the correct way to justify their income.

It is not clear whether the scheme has empowered women enough to be selective of the kinds of jobs they are willing to perform given the traditional power relations on the farms. There may be underlying reasons for their reluctance in doing certain jobs and the gender division of labour. These differences required further investigation than just being taken at face value. Through in-depth interviews done with women in this regard, findings showed that women view the difference as an unfair practice. As one woman explained it:

...we are not paid [the same] for performing the same task as men. When we do the pruning of orchards, he [farmer] does not give us the money that is paid for climbing the ladder which I think is an extra 50c or so for each tree we prune. If that can be considered, it can provide motivation for us to increase our income. (Maria, 2006: pers.comm.).

Beyond wages, there are no other income generating activities taking place on the farm except for those few households that sell cool drinks. Each household has a small yard

suitable for cultivation but none of the workers seemed to be seriously considering the potential of own cultivation for food security. Cultivation of potatoes was evident only in the household of the farm supervisor. By the time of the field research, all the women were said to be on 'holiday' with the exception of the one who works at the farm administration. Post harvest is a difficult time for the majority of women since the only work available is the pruning of orchards done mainly by men. Based on that, women consider themselves as seasonal workers. The fact that women at Saamwerk do not work all the year round results in irregularities in their income. Although they are not restricted from getting employment elsewhere when their service is not required, they are not allowed to get permanent jobs elsewhere. Because all women in Saamwerk are affected by irregular income, the most affected households are female headed households. A single woman interviewed described her situation as:

...it is difficult to raise children when one does not have regular income. My elder [18 years] son had to drop out of school to find work and he is working in Tokara farm. My feeling is that the R16 000 [SLAGs] should have not been strictly tied into buying a house. They should have adjusted the money in order to help us have something to eat [bonuses] when the season is over (Wendy, 2006: pers.comm).

This study highlights the difficulty in reconciling the women's and the farmer's perspectives on this issue. This woman has found herself a part-time job off the farm and does not work when it is raining because she travels by foot for a long distance to the nearby town. According to one woman who serves in the trust committee, women enjoy similar benefits as those enjoyed by men such as bonuses at the end of the year and they are not seasonal or casuals. However, most women felt that bonuses should not only come at the end of the year but also when their season is over to help them for that period. As one woman asserts, "he does not give us anything to thank us when the season is over and some of us are struggling without income" (Maria, 2006: pers.comm). Her condition is better than the rest of other women. She also runs an informal business that helps her through daily household needs. In addition, she gets a child support grant for two children and her husband is one of the better paid employees.

The farm is reportedly doing well in its making and bottling of wine not only for itself but also for other farms, in Botriver, Grabouw and Hermanus to mention few. Beyond offering seasonal employment opportunities for the people from neighbouring towns and to a lesser extent from the Eastern Cape, Saamwerk has not generated new employment opportunities. Its workforce has remained constant. Finally, although livelihoods are generally stable for the core of the work force, the issue of gender remains an indicator of workforce insecurity of women's livelihoods on the farm.

5.3. Power and Gender Relations

The majority of the workers interviewed in Saamwerk indicated that the scheme has not changed power relations on the farm. In particular, they were disappointed about their lack of involvement in certain decisions on the farm. Currently, the farmer takes strategic decisions in Saamwerk with the help of consultants. Workers have generally expressed the desire to be involved in certain decisions on the farm as the Saamwerk Workers' Trust Deed suggests. Most importantly, workers want to be aware of the decisions that involve their investments. A number of factors were cited by the farmer as constraining workers from participating in decision making. Among these is the issue of illiteracy which is often generalized as an obvious distinguishing feature of farm workers.

There are a number of determining factors inherent in this scheme that we need to consider in understanding changes or lack of changes. Looking at the structure of the Saamwerk equity scheme, there are few inroads for fundamental transformation of power relations. The workers' trust committee is made up of mainly the workers that occupied the roles such as the supervisors and the foreman. They make up only a small category of workers who were interviewed. Their previous positions were reinforced by the scheme since they obtained skills from the training that was offered by the farmer. Although this training is not directly related to their role in the scheme, the expertise they received enabled them to work independently while overseeing activities of other workers. The workers regard the skills training as having made the working environment less tense. According to one worker, before the new farmer came, they use to have a white

supervisor on the farm but that has since changed (Jacob, 2006: pers.comm.). Although this can be considered a change, it had a little impact to many people since it only meant replacement of traditional forms of leaderships with the new ones without significant changes in their role.

On paper, in both the trust deed and the DLA memorandum for the establishment of the scheme, women's participation in positions of power is assured. In reality, women were just appointed in those positions with no accompanying effort of empowering them. For most women, the scheme has neither improved their working conditions nor the power and gender relations. Wendy is a single woman who was elected as a trustee in the committee when the scheme was established. Like other ordinary workers, she does not understand what is going on with their investment in the scheme since there is lack of activity from the committee. She describes the conditions in the scheme as:

...the thing about the scheme on this farm is confusing. Access to information is very difficult. There are only few people [male permanent workers] whom I think know anything about this money (Wendy, 2006: pers.comm.).

She attributes her limited role on the scheme to her status of a seasonal worker. A majority of women do not feel that they are fully considered in this scheme as beneficiaries in their own right. This is an example of how resistant to change gender relations can be on farms. A woman who commented on the conditions of women on the farm and on the scheme argued that they are all not involved in what is going on in the farm since they are 'casuals'. Of the three women originally elected into the committee, there are only two women remaining since the other one has left the farm. The respondent noted that although she is in the trust committee, she is also a casual like the rest of women and does not have access to information. She described the situation of women on the farm as: "everything in this farm goes via permanent people [male], if we want to know something we have to ask them" (Maria 2006: pers.comm.).

In general, most of the men and women workers are not satisfied with the manner in which their elected trustees have represented them. Workers claim that they have not heard anything from the trust committee since there were no formal meetings and

reporting on the farm. Neither the farmer nor the trust committee is accountable to the beneficiaries for financial reports and other management issues on the farm. One worker who expressed frustration about the committee argued that it is unfair that the same people who act as their supervisors should also be representing them in the workers' trust at the same time (Jacob, 2006: pers.comm.). When a portion of the farm was sold in 2004 to Tokara, workers were not informed about the deal. According to Cartwright (2006: pers.comm.), workers have reason to be unhappy about their exclusion from the decision to sell of the portion of the farm because they have a share ownership of the farm. One of the workers expressed the feeling of being excluded as:

...he should have told us about the deal of selling the land even if we were not going to change his decision about that. As the people who work on the farm, we know which part of the farm has a better soil that we would not want to be sold (Jackson, 2006: pers.comm.).

Responsibilities of the trustees are clarified in article 9.1 and 9.2 of the trust deed. Trustees are to keep the beneficiaries informed about what is happening on the scheme as regularly as possible or at least once a month (Saamwerk Workers' Trust, 2000). According to the chairman of the trust, they do not hold meetings regularly because of their busy working schedule. Although he cannot remember the last time they held a meeting, he indicated that when they have a meeting they give everyone a chance to speak. This is in contrast with the rest of the workers that interviewed who said that the trust had never convened any meetings since its establishment. One of the workers claimed that the only time they felt the existence of the trust and ownership of the scheme was when the consultants were still around during the facilitation period prior to the establishment of the scheme (Jacob, 2006: pers.comm.). The contradiction between what workers say and what the chairman says is a serious one regarding transparency and accountability in the scheme. This problem manifested itself in several instances during the course of interviews. The lack of formal reporting has influenced the ways in which workers understand and see themselves in the scheme. Once the scheme was in place, workers' sense of ownership became limited. A common problem among the workers was that of confusing the scheme with the farm when asked to reflect on their experiences.

In addition, the only committee recognized as functional by the workers is what they call a 'truck committee' whose duties are to look after the well-being of the farm community. According to an informant this committee is unlike the trust committee because membership is rotating thus enabling everyone equal chances to participate (Jacob, 2006: pers.comm). In addition to its roles, this committee also intervenes when there is a dispute among the workers on the farm before the matter comes to the farmer's attention. There is a potential for this committee being manipulated by the commercial farmer in order to extend his control over the workers while minimizing formal interventions from the government. According to one worker, this committee has long been in existence before the scheme was established. "The difference between the committee now and before the scheme is that the farmer is more involved in it now than was the case" (Jackson, 2006:pers.comm.).

The general feeling among the farm workers was that they are scared to ask the farmer anything about the scheme because no one wants to be seen as the trouble maker on the farm since that would cost them a job. When they wanted to ask about dividends that were promised for 2006, it was difficult for them to organize and raise their views particularly through the weak committee they have. The only worker who spoke on the workers' behalf is not a member of the committee but has been in the committee before he left the farm soon after the scheme was established and came back in 2003. He expressed the situation among the workers as:

I think they are scared to ask him [farmer] about their money. At the beginning of this year, workers wanted to know when they are going to get the money that was promised to them. I suggested that we must call a general meeting with the farmer to enable everyone to raise their questions. I was the only one who spoke to him (Kurt, 2006:pers.comm.).

An informal meeting between workers and the farmer was held on the farm in May 2006. Since there were no written down minutes for the meeting, it was difficult for workers to remember the exact date or agree about the outcome of the meeting. However, they all remember that the farmer told them to wait for an audited financial statement which will show the performance of the business. In the following month of June 2006, the farmer offered to buy them household appliances as another way of improving their lives. By the

time of the research in July 2006, workers have just received these appliances only few weeks back, there I do not think the study has done anything to influence any of these events. The arrangement for receipt of these goods was that the farmer offered to pay out certain amount of the purchasing price and the rest will be deducted from workers' salaries on monthly or fortnightly basis. If any worker does not take from these goods, he or she will not be getting the cash value of what the farmer offers for goods. This arrangement looks like a farmer has subsidized his workers with household appliances.

Although some workers were critical about where the money came from and the contribution they have to pay, they nevertheless agreed to take what was offered to them on negotiated repayment terms. Some workers felt that if the stoves had anything to do with their shares, they would not have opted for cash had they been given a choice. One of the workers interviewed did not take the stove. When he moved into his current house there was already an electric stove. The worker felt that it was incorrect for the farmer to buy those appliances because that is not what the workers were expecting to get from the scheme. The worker described the relation they have with the farmer as "he likes to decide what he thinks is right for us. How are we going to transport these things when we want to leave the farm?" (Jackson, 2006: pers.comm.).

According to Cartwright (2006: pers.comm.), workers' rights to choose what they want from their investment should not be limited otherwise that would be paternalistic. In addition, Cartwright argued that the farmer cannot decide what is best for workers, and buying them furniture is one way of deciding for them (Cartwright, 2006:pers.comm.).

In summary, the scheme has not managed to break through unequal power relation on the farm. Instead it has created lots of confusion among the workers. This research also found out that some workers were not comfortable to talk about the scheme as one of the workers reflected:

... we are scared to ask about this money [shares] since we know little about it. The scheme has made the relationship between us and the farmer tense. Before those people [DLA and Consultants] came, we had nothing to complain about and the things were normal in this farm (Jacob, 2006: pers.comm.).

For this worker, the scheme has brought about a lot of expectations about how their lives would change. In turn, failure of the scheme to realize expectations created new problems in workers' relationship with the farmer.

5.4. Tenure security

Much has been written about tenure conditions of rural people residing and working on commercial farms. Recent studies have found out that despite ESTA, farm workers' tenure have continued to be secured (see Hall et al, 2001). Saamwerk workers are among the category of agricultural workers whose accommodation on the farm is based on working on the farm. Despite tied housing, workers' and occupiers' tenure is protected by ESTA. Nonyana (2004) identified role confusion within the intervention agencies regarding tenure disputes of agricultural workers. In this case, the Commission for Conciliation, Mediation and Arbitration (CCMA) handles labour related disputes such as unfair dismissals and suspensions while the DLA handles the issue about implications of the dismissal on ones' right to stay on the farm. This confusion is worsened by the fact that tenure disputes usually overlaps with labour disputes which have their own legislation and requires different kinds of institutions to deal with each case separately.

In recognition of that problem, the DLA (1997) recommended that where a settlement grant is given to people for development on land they do not own, as a joint venture or equity scheme, there should be a tripartite agreement among the parties to secure beneficiaries' interest in land. According to the business plan, the site adjacent to the farm is not suitable for permanent settlement since it is situated in the middle of a SAFCOL plantation (Saamwerk, 1999). There is no independent or public transport nor are any social services provided. It is said in the business plan that since the majority of workers are from the Eastern Cape; they would wish to go back when they retire. This has been a popular notion among beneficiaries of the scheme. However, for those workers who were born on the farm, there is a missing dimension that clarifies condition when they retire.

According to Hamman (2000), exit provisions are more problematic in equity schemes than entry mechanisms. According to the business and the trust deed, the farmer has guaranteed to buy out workers' shares at a specific price. Therefore, beneficiaries understand that they will be given an audited value of their shares to be able to buy a house on retirement or when they cease to be employees of the farm. Buying a house off the farm on retirement has become central to the way workers understand exit mechanisms from the scheme. Beyond employment, workers are not aware of available rights that secure their tenure on the farm. Since the establishment of the scheme in 2001, there is only one worker who was dismissed and that was in 2005. Conditions regulating the tenure rights of farm occupiers under ESTA were not followed when the employee was dismissed and evicted. Nonetheless, the farmer feels that he applied a fair procedure during the course of eviction. The workers' committee was also involved by the farmer during the disciplinary hearings of the employee. By the time of this study, the dismissed and evicted worker's value of shares was not yet paid out.

According to the farm supervisor, the payment for the evicted workers' shares would be made by the farmer based on the proof of the availability of a house to buy. While waiting for a house to buy, the evicted person is reported by other workers to be staying in Grabouw. Apart from the worker who was dismissed, there are some tenure scenarios on the farm which tell a story of how workers can continue staying on the farm after retirement. The major thing about these stories is that they reflect farm workers' understanding about the security of their tenure. The following cases describe workers' perceptions about circumstances in which they may or may not continue staying on the farm.

Jack has retired and is currently residing on the farm. He decided not sell his shares on retirement from the company. Andile decided to sell his shares on retirement both pensioners are beneficiaries of the land reform grants. Jack A is reported to have retired for health reasons (Kurt, 2006: pers.comm.); Andile reached the retirement age of 65 years. On retirement, Jack remained on the farm doing light jobs and gardening work. He continued to stay on the farm beyond formal employment while not yet getting the

government retirement pension. According to one of the workers close to him, the pensioner has made an early retirement due to the ill-health. He is currently waiting for approval certificate from the doctor in order to have access to the pension grant.

Andile retired on the farm in 2005 and asked to be given all a payout for his investment. According to one of the current employees, while the money was already being processed; Andile decided to remain on the farm under new arrangements similar to those of the other pensioner. According to the informant, Andile approached the farm foreman to negotiate with the farmer about the possibility of his remaining on the farm. He was told that he had already retired and the processing of his money was almost done. This is contrary to the law that pensioners have the legal rights as long-term occupiers to remain on the farm even if they do not render any services to the farmer. ESTA gives special protection of the farm dwellers who are sixty years or older and those living with disabilities to live on the farm for the rest of their lives (DLA, 1997).

The following case is different to both scenarios sketched above. Sara is a woman who stays on the farm and is not working. She benefited from the grant when her husband was still alive and working on the farm. According to the trust deed, when beneficiaries cease to be employees of the farm, their dependents may retain their participating share in the trust (Saamwerk Workers' Trust, 2000). Sara does not have a household member who is employed on the farm; she survives on a government pension. Although she continues to stay on the farm, she had her electricity cut-off by the farmer. She does not understand why the farmer decided to cut the electricity off; but is convinced that she is no longer needed on the farm. "*Ek dink hy wil my uit diè plaas hê* " (2006: pers.comm.)¹¹. According to one woman who acted as an interpreter during an interview, the boss came to cut-off her electricity because he felt that it was spoiling them, '*Dis die krag (elektriteit) wat diè mense bederf*'¹². These are the words quoted from the farmer when he came to disconnect the power. Sara reported that the owner

¹¹"I think [the reason for cutting-off my electricity is because] he wants me out of the farm".

¹² "It is this electricity that spoils these people". (Wendy 2006: pers.comm.).

told her to take her possessions and go to Kleinmond to look for a house. “I cannot carry my possessions and walk to Kleinmond and he does not give me transport to go there” (Sara; 2006: pers.comm.).

According to Sara, she does not see the benefits of being a shareholder. It is not clear whether that is because she is not working or does not have a household member working there. According to the business plan, women who are not employed on the farm have the same rights as shareholders as employees, and can exercise autonomous control over their investment (Saamwerk, 1999). In addition, as an “occupier” on the farm land, the woman is entitled to all the services rendered to other “occupiers” including access to electricity (DLA, 1997). What this shows is that, she stays on the farm because she does not have an alternative place and is granted special protection by the law to continue staying there.

In summary, it is not clear among the workers whether people who left the farm have been paid out the value of their shares. Workers were told that they can use the money only to buy houses when they want to leave the farm. Because of that, the possibility of selling shares and using the money for other things such as personal investment was not communicated. That is raising concerns among other workers who wish to have control over their investments. In conclusion, workers do not have a feeling that the scheme has done anything to secure their tenure. A majority of workers showed little understanding of legal rights for farm workers. It seemed that the workers were deliberately denied an opportunity to have their own representatives in the form of a labour union that can instill awareness about their existing rights.

5.5. Conclusion

In conclusion, it may seem as if it is a little early to think of this scheme as having failed. However, when reviewing its objectives and farm workers’ experiences in particular, the scheme so far has not generated expected benefits in either tangible or intangible ways.

The livelihoods, power and gender relations and the tenure security have not been addressed to the satisfaction of the principal objectives of land reform programme. Employment on the farm has remained stable showing no signs of expansion or additional opportunities because of the equity scheme. The only person who has realized the impact of the scheme is the commercial farmer. He has done so because he managed to re-capitalize his farm with the assistance of the public funds. In addition, supervisors and have generally earned respectable positions as trustees of the scheme as an add-on to positions they occupied before the scheme. As for the rest of the work force, and women in particular, the scheme has not brought about any significant changes.



CHAPTER SIX: CONCLUSIONS

6.1. Introduction

The aim of this study was to examine ways in share equity schemes have or have not realized the objectives of land reform. The study sought to establish the merits and demerits of equity schemes by examining how Saamwerk scheme has improved livelihoods, power and gender relation and tenure security. Most importantly, this study used the case of Saamwerk equity scheme to examine experiences and perceptions of beneficiaries in relation to ways in which their participation in this scheme has or has not changed their conditions. In addition, the objectives of this study were informed by an existing debate about the performance of equity schemes and in particular the study of the Western Cape and Mpumalanga that was conducted by Surplus People Project (Fast, 1998).

To achieve its objectives, literature on the existing challenges and existing solutions on land reform programme in South Africa was reviewed. Empirical evidence shows that equity schemes are increasingly becoming a main vehicle for land redistribution in areas where land prices limit out-right purchase of agricultural land (Hall et al, 2001, Tilley, 2004). They are usually initiated by the private sector. This concluding chapter of the study provides a brief summary on critical issues that emerged from the literature review, debate on equity schemes, policy analysis and the case study of Saamwerk equity scheme. The central argument in this research is that while equity schemes are seemingly convenient ways for asset sharing, there are a number of obstacles limiting equity schemes from yielding desired impacts on the lives of farm workers.

Evidence has shown that equity schemes derive from a model of Employee Share Ownership Schemes in the industrial sector. This model was initially driven by the private sector and has been an area of interest among scholars questioning its primary

interests. Saamwerk equity scheme was also established as an initiative of the commercial farmer. The main reason stated by the farmer was that he wanted to involve his workers in the farming business.

6.2. Livelihoods

Chapter three reflected on the debate about the potential of equity sharing as a means of redistribution of wealth (Deininger and May, undated). The review of related literature and experiences from Saamwerk equity scheme found that equity schemes take some time to generate visible benefits for poor shareholders. Some people are even doubtful of the potential role of equity schemes in increasing the incomes of beneficiaries (Mayson, 2006; pers.comm). Others claim that equity schemes generate substantial intangible benefits such as increased job satisfaction (Winberg, undated). The case of Saamwerk equity scheme found that although intangible benefits are an important indication for change, they cannot substitute for expectations of tangible benefits preferred by the beneficiaries.

Lessons from the fieldwork confirm the argument that financial benefits from equity schemes are delayed by re-payment costs of establishing the scheme. Although this is a justifiable business principle, land reform beneficiaries are frustrated by the lack financial returns on their investments (Cartwright; 2006: pers.comm.). After five years in operation, Saamwerk has not paid out dividends as promised by the commercial farmer, much to the frustration of beneficiaries. Although workers' income has improved since they are getting bonuses every year, it is difficult to attribute that to the scheme. Cartwright (2006: pers.comm) argued that bonuses should not replace dividends. According to Mayson (2006: pers.comm.), access to other parts of the farm can be used to enhance livelihoods instead of looking for profits and dividends in equity schemes. Despite the absence of dividends, there has been no significant improvement in the wages of the workers. Women are generally in the lowest paid positions on the farm. They regard their employment status as that of seasonal workers. During the off season, they are trapped in poverty, with no cash flow. Therefore, the scheme has not yet succeeded in stabilizing

their livelihoods. According to Du Toit (2006: pers.comm.), equity schemes can secure the existing livelihoods but they do not create new ones. There is no opportunity for diversification of livelihoods at Saamwerk farm. The land use patterns are determined by the nature of the farming sector which focuses on production of wine for export.

6.3. Power and gender relations

Management and decision-making responsibilities in Saamwerk equity scheme are done by the commercial farmer in consultation with private consultants. There is a debate that the existing power relations on South African commercial farms are shaped by the centuries of racial paternalism (Du Toit and Ewert, 2005; Eckert, Hamman and Lombard, 1996). In addition, Du Toit (2006: pers.comm.) argues that equity schemes are the latest form of modernized paternalism. Like ESOS, share equity schemes have generally failed to level the playing field in organizational decision-making. Instead of undoing existing unequal power relations, there is evidence that these are reinforced by equity schemes. The only people who have realized the benefits from the scheme are the farm supervisors who were better positioned for the new positions of trustees within equity scheme.

According to the trust deed, workers' trust committee was democratically elected by the beneficiaries. What influences the choice of the workers to choose from this group of people could be a subject of study on its own. In the end, this is dis-empowering the workers because once trustees have been elected; they find it difficult to replace them. There is a concern that the DLA do not have clear guidelines for the operations of the schemes once they have been established (Cartwright, 2006: pers.comm). According to the Saamwerk Workers' Trust (2002), there are no impediments for women to access positions of power. Although the trust committee has generally failed to represent the workers' interests, the male trustees have managed to exercise influence on other areas of the farm using their status of being supervisors. As for women trustees, participation in the scheme has not changed their marginal positions. There is a gap between ownership and management. According to Hopkins (2006: pers.comm), many people do not have

expertise of management. As a result, they turn to joint ventures for the access to business skills. Therefore, Hopkins (2002: pers.comm.) argues that we need to be supportive of equity schemes although they do not speak to the objectives of land reform.

Beyond the initial workshops leading to the establishment of the scheme, workers have not received any form of training relating to their role in the scheme. As a result, farm workers are caught in the middle way between their role as employees and that being shareholders in the scheme. This lack of worker empowerment and poor knowledge of the scheme may lead workers into letting some of their rights go unrealized. The current experience for Saamwerk beneficiaries is that they do not know what is going on with their investment and they are scared to ask the farmer about it.

6.4. Tenure security

Farm workers continue to experience the feeling of insecure tenure in most commercial farms in South Africa. The relationship between staying and working on the farm becomes confusing for the workers. They seem to have internalized the traditional relations in the farms which allow them to stay only on condition that they render services to the farmer. Farmers seem to be taking advantage of this limitation in the workers' knowledge of their rights. Workers may sacrifice some of their rights as has been the evident on the issue of labour unions on the farms. The invisibility of labour organizations and advocacy organizations results in the continuation of dependency of farm workers on their employer. Such relationship cannot be addressed through equity schemes since they are generally limiting the role of labour unions.

In the case of Saamwerk, workers do not have a clear understanding of their tenure rights when they retire or are dismissed. According to the *White Paper on South African Land Policy*, equity schemes which involve government grants need to significantly improve security of tenure. According to Mayson (2003) equity schemes with no strong tenure component do not ensure that workers remain committed to the enterprise. Since the establishment of the Saamwerk scheme, one worker left the farm through dismissal and

eviction. No proper mechanisms in terms of the legislation were followed leading to the dismissal and eviction of the worker.

6.5. Implementation and Policy Recommendations

This chapter attempted to extract some key arguments and experiences from the case study about merits and de-merits of equity schemes in realizing the objectives of land reform. The central argument in this thesis is that no fundamental changes can be expected from the 'quick fix' solution such as equity schemes. There is a danger of redirecting public resources aimed at improving the lives of the poor and landless to finance propertied commercial farmers. Therefore lessons learnt from this study suggest that equity schemes do not promise lasting solutions in addressing challenges of land reform. The DLA needs to rethink its support of equity schemes as they are regarded by some scholars as an elaborate system of lending money to commercial farmers (Cartwright, 2006: pers.comm; Hall, 2006: pers.comm; Mayson, 2003).

A moratorium on the approval of equity schemes would be a necessary step towards rethinking alternative implementation strategies that would realize the objectives of land reform. In addition, there is a need from the DLA to put in place a comprehensive monitoring and evaluation programme of the existing equity schemes. Equity schemes require a level of sophistication which is not in place at the moment from the DLA (Cartwright; 2006: pers.comm.). From the lessons of the merits and de-merits of equity schemes, the DLA could find new implementation strategies to re-align the objectives of land reform with equity scheme. That would be one way of assessing the impact of equity schemes.

6.6. Conclusion

Saamwerk equity scheme has not yet found ways of looking after the financial interests of farm workers. The nature of the scheme does not accommodate the financial interests of the farm workers because it promises to offer financial returns in the form of capital appreciation which usually take long-time to realize. The delay in visible benefits is a common feature among equity schemes. The clash of financial interests within equity schemes is an indication of the fundamental problem of partnerships between unlikely business partners. Cartwright (2006: pers.comm) argued that “business people can wait for years without expecting dividends but the farm workers cannot”. Although there is an option for farm workers to choose between dividends before development cost and dividends after development cost (Hamman, 2000; Saamwerk, 1999), in Saamwerk, workers’ cash flow preferences are not taken seriously. The main problem within Saamwerk and other equity schemes is that farm workers do not know who to turn to when their rights on paper are not realized. Cartwright (2006: pers.comm.) suggested that mentorship would be essential in equity schemes in looking at proper channels of communicating farm workers’ interests. I wish to concur with Mayson (2003) that there is a need for further investigation of the interests of commercial farmers in setting up equity scheme.

Table 3: List of land reform projects in the Overberg District of the Western Cape.

Project name	Town	Type	Households	Hectares
Retrospective trading	Bredasdorp	FWES	1	385.4394
Dennekruijn	Caledon	Esta	227	29.6286
Elgin Timbers	Caledon	FWES	70	6.7300
Gee-Whiz	Caledon	Sett	4	0.1400
Houwhoek station	Caledon	Esta	2	0.0338
Klipfontein Trust	Caledon	Prod	30	186.0000
Lebanon	Caledon	FWES	147	180.0000
Whitehall	Caledon	FWES	121	296.0077
Destiny	Grabouw	Lrad	56	95.7800
Bergsig Varkboerdery	Swellendam	Prod	5	0.2074
Zolani Small Farmers	Swellendam	Lrad	87	1,086.6139
Bonita	Swellendam	Sett	39	5.0000
Bordeau Trust	Swellendam	Lrad	35	Project cancelled
Buffeljacachts Housing Project	Swellendam	Esta	2	1.5000
De Rust	Swellendam	Sett	15	0.2680
Geelbeksvlei	Swellendam	FWES	42	105.2700
Gelukshoop Boerdery	Swellendam	Lrad	34	23.1512
Klein Begin	Swellendam	Lrad	14	193.7027
Lemoenshoek	Swellendam	Prod	10	11.9743
Lemoenshoek Phase 2	Swellendam	Lrad	10	Not Applicable
Mountain Trust	Swellendam	Lrad	20	13.7166
Na-Die-Oes	Swellendam	FWES	22	63.2500

Oudekraal Trust	Swellendam	Lrad	30	51.4165
Rietkuil	Swellendam	Prod	1	4.6980
Wolven Gat	Swellendam	Lrad	50	230.5741
Molteno	Caledon	Sett	116	20.0000

Source: DLA (2006).



Table 4. Estimated price per hectare for different agricultural land.

MAG. DISTRICT	Avg. price perha	Est. priceperha	% of agric.area	Est. price perha	% of agric.area	Est. priceper ha	% of agric.area
BEAUFORT WEST	163	163	99.9%	293	0.0%	650	0.1%
BELLVILLE	3,448	1,677	9.7%	3,019	75.2%	6,709	15.1%
BREDASDORP	1,261	955	59.9%	1,718	40.1%	3,818	0.0%
CALEDON	2,258	1,432	50.5%	2,577	41.3%	5,728	8.2%
CALITZDORP	482	423	94.1%	762	1.8%	1,693	4.1%
CERES	645	558	93.9%	1,005	1.2%	2,233	4.9%
CLANWILLIAM	887	669	79.0%	1,204	13.9%	2,676	7.1%
GEORGE	1,707	1,322	77.3%	2,379	17.7%	5,287	5.0%
HEIDELBERG (WC)	1,176	801	43.9%	1,441	55.2%	3,202	0.9%
HERMANUS	587	515	89.5%	927	7.9%	2,060	2.6%
HOPEFIELD	909	679	57.6%	1,221	42.4%	2,714	0.0%
KNYSNA	1,755	1,585	96.3%	2,853	0.2%	6,341	3.5%
LADISMITH	462	437	97.9%	787	0.3%	1,750	1.8%
LAINGSBURG	140	138	99.3%	249	0.5%	553	0.2%
MALMESBURY	2,255	1,395	29.3%	2,512	68.4%	5,581	2.3%
MONTAGU	784	684	90.2%	1,231	6.8%	2,736	3.0%
MOORREESBURG	1,628	917	3.8%	1,651	96.0%	3,670	0.2%
MOSSSEL BAY	1,303	1,010	70.2%	1,818	27.5%	4,040	2.3%
MURRAYSBURG	161	157	99.2%	283	0.0%	630	0.8%
OUDTSHOORN	973	795	89.7%	1,430	3.8%	3,178	6.5%
PAARL	5,156	2,599	53.3%	4,679	19.0%	10,397	27.7%
PIKETBERG	1,397	850	43.9%	1,530	47.3%	3,400	8.8%
PRINCE ALBERT	173	170	99.1%	305	0.3%	678	0.6%
RIVERSDALE	1,026	801	71.1%	1,443	26.6%	3,206	2.2%
ROBERTSON	2,243	1,535	81.7%	2,763	4.0%	6,141	14.3%

SOMERSET WEST	5,811	2,907	40.8%	5,233	35.4%	11,628	23.9%
SWELLENLAMD	840	589	57.7%	1,060	38.3%	2,356	4.0%
TULBAGH	3,310	2,070	63.8%	3,726	22.1%	8,279	14.1%
UNIONDALE	385	342	91.7%	616	5.6%	1,368	2.7%
VANRHYNSDORP	201	191	94.0%	343	5.8%	763	0.3%
VREDENBURG	1,796	1,100	21.3%	1,981	78.5%	4,402	0.1%
VREDENDAL	541	422	75.1%	760	21.2%	1,689	3.7%
WORCESTER	1,224	905	85.5%	1,629	3.8%	3,621	10.7%

Source: DLA (2002)



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