

**THE POTENTIAL AND LIMITS OF THE PROACTIVE LAND ACQUISITION
STRATEGY: LAND REFORM IMPLEMENTATION IN GAUTENG PROVINCE OF
SOUTH AFRICA**

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**A mini thesis submitted in partial fulfillment of the requirements for the degree of
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ABSTRACT

The potential and limits of the Proactive Land Acquisition Strategy (PLAS): Land Reform implementation in Gauteng Province of South Africa

Land reform in South Africa emerged as one of the important policies for reconciliation, reconstruction and development of the country after years of racial segregation. Its implementation has been three-fold i.e. land restitution, redistribution and tenure reform. The initial sub-programmes of land redistribution i.e. Settlement Land Acquisition Grant (SLAG) and Land Redistribution for Agricultural Development (LRAD) have been confronted with numerous challenges and they have been criticised for influencing group owned projects due to their grant funding models. SLAG required beneficiaries to qualify as households and its failure to date has been largely attributed to unresolved conflicts amongst group members. Under LRAD, although beneficiaries qualified as individuals, the number of grants continued to be challenged by the increasing land prices, and as a result, group-owned projects continued to be created to match the land prices. Both models were demand-driven under the ‘willing buyer, willing seller’ principle. In 2006, government introduced a new model called the Proactive Land Acquisition Strategy (PLAS) which is a ‘supply-driven’ model but operating within the ‘willing buyer, willing seller’ principle. The structural changes introduced in 2010 placed PLAS as the sole land acquisition model under land redistribution. This research investigates the manner in which the implementation of this model assisted to resolve the gaps identified in its predecessors and the reasons thereof. Additionally, the research also investigates characteristics which persisted throughout and why such features persisted. The policy shift from a ‘demand-driven’ to a ‘supply-driven’ model has brought changes in terms of planning, implementation and resource mobilization. To achieve this, the researcher identified three cases where indepth research was conducted, and interviewed key roles placers from the national and provincial departments, and the local municipality. A questionnaire and semi-structures interviews were used to collect the data.

November 2013

DECLARATION

I declare that *The Potential and Limits of the Proactive Land Acquisition Strategy: Land Reform Implementation in Gauteng Province of South Africa* is my own work, that it has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

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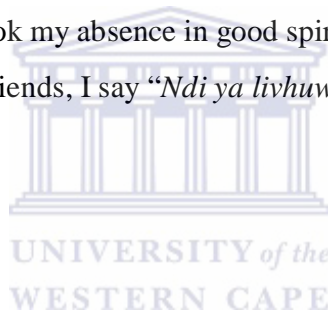
November 2013

Signed.....



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- To all my colleagues and friends, I say “*Ndi ya livhuwa*”, for our engagements sparked an inquisitive mind.



DEDICATION

This work is dedicated to my beloved wife, Mavis Ranwedzi, and our two much-loved children, Murangi, our first born daughter, and Vusani our second born son. Surely this work will paint a picture of where we come from as a nation.



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ACRONYMS

ABP – Area Based Plan

AHDP – Agriculture Hubs Development Programme

ANC – African National Congress

ARC – Agricultural Research Council

ASGISA – Accelerated and Shared Growth Initiative for South Africa

BDOCA – Bio-Dynamic and Organic Certification Authority

BSC – Beneficiary Selection Committee

CASP – Comprehensive Agricultural Support Programme

DLA – Department of Land Affairs

DRDLR – Department of Rural Development and Land Reform

DSC – District Screening Committee

ESTA – Extension of Security of Tenure Act

GADS – Gauteng Agricultural Development Strategy

GDP – Gross Domestic Product

GEAR – Growth, Employment and Redistribution

GDARD – Gauteng Department of Agriculture and Rural Development

HPAL – High Potential Agricultural Land

IDP – Integrated Development Programme

ISRDP – Integrated Sustainable Rural Development Programme

LED – Local Economic Development



LRAD - Land Redistribution for Agricultural Development

MALA – Ministry of Agriculture and Land Affairs

MBLR – Market Based Land Reform

NPO – Non-Profit Organization

PGAC – Provincial Grant Approval Committee

PLAS – Proactive Land Acquisition Strategy

PSSC:G – Provincial Shared Service Centre: Gauteng

RDLRP – Rural Development and Land Reform Plan

RDP – Reconstruction and Development Programme

SLAG – Settlement Land Acquisition Grant

SPLAG – Settlement and Production Land Acquisition Grant

WRDM – West Rand District Municipality

WRDMFF – West Rand District Municipality Farmers’ Forum



CHAPTER 1: INTRODUCTION

1.1. Background

Colonialism and apartheid combined, created in South Africa a bipolar distribution of land, wealth, and access to economic opportunities. In its history of conquest, dispossession, forced removals and racially skewed distribution of land and resources, it left its citizens with a complex and difficult legacy to reverse. As noted in the White Paper on South African Land Policy, this legacy is profound and is manifested at multiple levels, i.e. injustices stemming from racially based land dispossession, inadequate distribution of land ownership, dual land tenure systems, haphazard land development, and acute poverty (DLA, 1997). In addressing these racial imbalances, the post-apartheid government led by the African National Congress (ANC) put in place a legislative framework aimed at socio-economic improvement and development through Local Economic Development (LED) policies (Binns and Nel, 2002). According to Gilfillan (2001) land is an important economic resource for the development of rural livelihoods.

In South Africa, control of land was the backbone of apartheid. The most notorious Act, the Black Land Act of 1913, placed vast areas of South Africa under the sole control of whites, while blacks were allocated traditional areas. This was followed by the Black Trust and Land Act of 1936 which allocated 13% of South Africa to black people who constituted the majority of the population (De Villiers, 1999). In 1994, when the first democratic government was elected, whites owned about 71% of agricultural land (not including state land or other land in urban areas) despite being only 11% of the population (De Villiers, 1999).

The SA democratic government, through the Department of Land Affairs (DLA) which later became the Department of Rural Development and Land Reform (DRDLR) provides for access to land and security of tenure within the context of Section 25 of the Constitution of the Republic of South Africa. Section 25 states that “No one may be deprived of property except in terms of the law of general application, and no law may permit arbitrary deprivation of property” (RSA Constitution, 1996). Land reform participants acquire land for agricultural and housing purposes and in a few isolated cases land is acquired for industrial, mining or nature conservation.

Land reform in South Africa is implemented in terms of three focused areas, namely restitution, tenure reform, and redistribution. The purpose of restitution is to restore land and provide other remedies to people dispossessed by racially discriminatory legislation and practice; land tenure reform is a rights based approach focusing on those who own and use the land and it refers to terms and conditions of lease hold, communal ownership and any type of land holding that is insecure; land redistribution focuses on providing the poor with land for residential and productive purposes in order to improve their livelihoods.

Land redistribution initiatives such as the Settlement Land Acquisition Grant (SLAG) and Land Redistribution for Agricultural Development (LRAD) have been confronted with numerous challenges and they are criticized for generating group-based projects due to their grant funding models (Lahiff, 2007a). Both of them were envisaged to be 'demand driven', rather than 'supply-led'. SLAG required beneficiaries to qualify as households and its failure to date has been largely attributed to unresolved conflicts amongst group members (MALA, 2003). With LRAD, although beneficiaries qualified as individuals, the number of grants continued to be challenged by the increasing land prices, and as a result, group owned projects continued to be created to match the land prices (MALA, 2005:4). In 2006 the Department of Land Affairs introduced a new land reform management model called the Proactive Land Acquisition Strategy (PLAS). As indicated by MALA (2005:3), to ensure that land and agrarian reform moves to the new trajectory that will contribute to the higher path of growth, employment and equity by 2014, the introduction of proactive land acquisition by the state for targeted groups in the land market will resolve challenges faced by the PLAS predecessors, i.e. SLAG and LRAD.

As stated in the strategy framework, the objectives of PLAS include: to accelerate the land redistribution process; to ensure that the DLA can acquire land in the nodal areas and in the identified agricultural corridors and other areas of high agricultural potential to meet the objectives of Accelerated and Shared Growth Initiative for South Africa (ASGISA); to improve the identification and selection of beneficiaries and the planning of land on which people would be settled; and to ensure maximum productive use of land acquired (DLA, 2006a). PLAS deals with two approaches i.e. a needs-based approach and a supply-led approach but essentially focuses on the state as the lead driver in land redistribution rather than beneficiary-driven

redistribution. The needs-based approach is such that land acquisition will be determined by the existing needs of the people, yet the supply-led approach projects government as the sole supplier of land in response to identified needs. By the end of 2009, Gauteng Province had instigated 99 PLAS projects which are leased to individuals, families and groups. The objective of this research is to investigate the significance of the strategy and to determine how it has reconciled the challenges experienced by its predecessors, i.e. SLAG and LRAD.

1.2. Research problem and hypothesis

The introduction of PLAS brought a new understanding of land ownership and management in land reform. SLAG was designed for multiple land use purposes whereas LRAD was exclusively for agricultural purposes. Beneficiaries of the strategy are required to service their lease agreement through payment of an annual lease to the value of 6% of the purchase price, and this is an indication that beneficiaries are settled for production purposes. However, some characteristics of land use management observed in SLAG and LRAD are recurring as PLAS continue to be implemented. These include group formations for the management of leased properties. As a hypothesis, it is envisaged that the recurrence of certain weaknesses observed in the past models, are a result of socio-economic factors, institutional practices and political influences. Group projects remain typical within the PLAS, producing similar outcomes to those it was intended to remedy.

1.3. Research questions

1.3.1. Primary research question:

The question is: *To what degree is PLAS realizing its own objectives and in what ways does it avoid or replicate limitations of its predecessors, and why?*

1.3.2. Secondary research questions:

- a) Why are group projects persistent even on the PLAS model which is not grant based?
- b) To what extent does the state intervene and support the operations and management of PLAS projects?

- c) What types of types of projects are produced by PLAS as compared to its predecessors?
- d) What are the challenges facing land reform beneficiaries leasing state land acquired through PLAS?
- e) What are the similarities between PLAS and its redistribution predecessors?



CHAPTER 2: RESEARCH METHODOLOGY

2.1. Study area

2.1.1. Geographical location

The study was conducted in Gauteng Province. Gauteng is the smallest province in the country in terms of geographical space, comprising 1.876 billion hectares (GDARD, 2007). The province is divided into three district municipalities (West Rand District Municipality, Metsweding District Municipality and Sedibeng District Municipality) and three metropolitan municipalities, i.e. Tshwane Metropolitan Municipality, Johannesburg Metropolitan Municipality and Ekurhuleni Metropolitan Municipality.

Gauteng Province has a population of approximately 9,180,100 people (representing an increase of more than 1.5m over the past five years). This represents about 19.22% of the national population. The population pyramid bulges in the male 20-40 age group mainly owing to the demographic profile of immigrants. Gauteng contributes 33.9% to the national Gross Domestic Product. According to the National Land Cover (NLC), about 17% of Gauteng's land is classified as urban land while 97% of the population lives in urban areas. Only 15% of the land is considered developed (GDACE, 2006).

Gauteng is generally considered to be an urban built-up province. The result of the recent zoning indicates that Gauteng is only 18% built-up although it is highly fragmented. Urban development in Gauteng is taking place at a fast pace, seriously challenging aspects of sustainable development, resulting in problems such as the loss of high potential agricultural land essential for viable agricultural practices (GDACE, 2007).

2.1.2. Agricultural development of the Province

As indicated in the Gauteng Agricultural Development Strategy (GDACE, 2006) the total farmland in Gauteng is 828 623 ha (44.2% of total land area of province) of which 438 623ha (23.4%) is potentially arable (i.e. suitable for ploughing and planting) and 390 000 ha is suitable for grazing. The amount of potentially arable land that is currently being cultivated is approximately 293 571ha (67%). Approximately 28.7% of all arable land has been identified as potentially requiring specific protection for agricultural use, as it is made up of 15.1% high potential and 13.6% moderately-high potential land (GDARD, 2007). Gauteng agriculture is mainly focused on livestock (including piggeries), poultry, horticulture (including floriculture), and crop production (including the limited cultivation of herbs and medicinal crops).

2.2. Research design

Mouton, as cited by Fouche and de Vos (2002:137) defines research design as a plan or blue print of how a researcher intends conducting research. It is further indicated that a research design focuses on the end product, formulates a research problem as a point of departure and further focuses on the logic of research. Research can be conducted in a quantitative and/or a qualitative manner. Neuman, as cited by Fouche and de Vos (2002:138) distinguishes between quantitative and qualitative research designs.

Quantitative research includes experiments, surveys and content analysis whereas qualitative research includes ethnography, biography, case studies, phenomenology and grounded theory. Qualitative research is aimed at gaining a deeper understanding of a specific organization or event, rather than surface descriptions of a large sample of a population. It aims to provide an explicit rendering of the structure, order, and broad patterns found among a group of participants. It is also called ethnomethodology or field research. It generates data about human groups in social settings. However, de Vos (2002:367) is of the opinion that impact evaluation is largely qualitative and is most often performed as experiments.

2.3. Population and sampling

Strydom and Venter (2002:198) define sampling as taking any portion of a population or universe as a representative of the population. Strydom and Venter (2002:209) further indicate that the term universe is referred to as all potential subjects who possess the attributes in which the researcher is interested in. In this study, the term population refers to all PLAS projects within Gauteng Province. The researcher considered projects where beneficiaries have been settled for a period of more than a year. The justification for this is due to the fact that beneficiaries have signed a three year lease contract which is subject to review before renewal, and secondly, the lease agreement compels lessee to be productive so that they can pay their rental.

Seaberg, as cited by Strydom and Venter (2002:197) describes a sample as a small portion of the total set of objects, events or persons that together comprise the subjects of a study. The researcher used a non-probability method of sampling which is known as target sampling. The target sampling is defined as a powerful systematic method by which a controlled list of specified populations within a geographical district are developed and detailed plans are designed to recruit adequate numbers of cases within each target so that the sample would be representative. The researcher selected three projects which were used as case studies. However, an overview of the PLAS implementation in Gauteng Province covered the past and present experiences.

The study was based primarily on qualitative research. An overview of how PLAS has been implemented in Gauteng Province is provided to outline the magnitude of the projects in the province in terms of hectares, beneficiaries, geographical dominance, purchase price, selection and allocation processes and legal entities. In addition, three projects were carefully selected based on the nature of their land use management, number of beneficiaries of the project and the overall performance of the project. The selection process allowed for covering diversity such as participants from projects owned by individuals, group members knowing each other, and group members who did not know one another.

The selected three projects were used as case studies. From the three projects, one individually-owned project was selected, one group-owned project was selected, and one group-owned project where only one individual is using the property, was chosen. The interviews were extended to key informants such as government officials in the DRDLR, GDARD, and Municipalities.

2.4. Data collection

Data was collected through a structured questionnaire, focus group discussion and individual interviews of beneficiaries and stakeholders. Focus groups consisted of 3-5 participants.

The data included information on group formation, legal entities, decision making processes, land use and business management and operations. The intention of the questions was primarily focused on identifying old problems recurring, old problems being resolved and identification of new problems emerging as PLAS continue to be implemented. The questions included the process of acquiring land, what they are doing differently, additional processes and the outcome thereof.

The researcher analyzed the overall implementation and trends of land reform delivery under redistribution. This analysis included a national comparison in terms of the provinces, redistribution category, annual delivery and beneficiaries. The analysis also drew comparisons between LRAD and PLAS and the related processes. Three projects were then selected from the West Rand District Municipality and the Mogale City Local Municipality. These were sampled to provide the insight of the dynamics around the PLAS model. Mogale City Municipality was selected because of its vast contribution to producing PLAS projects in the West Rand District Municipality.

The researcher used a questionnaire which was a basic tool for data collection. According to the New Dictionary of Social Work, cited by Delport (2002:172), a questionnaire is a set of questions on a form, which is administered by a researcher. This questionnaire can have open-ended and/or closed questions. Delport (2002:173) describes various types of questionnaires such

as mailed questionnaires, telephonic questionnaires, personal questionnaires; questionnaires delivered by hand and group questionnaires. In this study the researcher used the personal questionnaire because it allows for further engagement with responses from the respondents. The respondents were limited to six (6) farmers from different projects and fifteen (15) land reform practitioners from the Department of Rural Development and Land Reform, Gauteng Department of Agriculture and Rural Development and Mogale City Local Municipality. The researcher used semi-structured interviews that did not rely on any standard formats.

The respondents were visited at the farms and questionnaires were administered there. In addition, data collection was extended through semi-structured interviews, to the stakeholders such as DRDLR, GDARD, Mogale City Local Municipality and other PLAS land reform beneficiaries. The researcher further analyzed departmental documents and project data such as application forms, valuations reports, business plans and feasibility studies, minutes of the meetings, and lease contracts.

2.5. Data analysis

The collected data was analyzed qualitatively in line with the aims and objectives of the study. The results of the questionnaire were analyzed in terms of the responses gathered from the respondents per project. The analysis included the land identification and acquisition processes, project institutional arrangements and beneficiary selection mechanisms, land use management and farm production, beneficiaries' obligations, beneficiaries training and development, marketing and extension services.

Secondly, the analysis was extended to documents such as departmental annual reports and interviews of key informants. The documents provided data which was analyzed with the intention of identifying the land delivery and beneficiation trends over the years, nationally and provincially. The key informants included role players such as officials of the national, provincial and local spheres of government. The interviews of these key informants were used to analyze the process flow, to track changes on programme transition over time and to record comparable experiences.

Thirdly, the data gathered from the focus group discussions assisted the researcher with the general interpretation of information provided by beneficiaries on land reform in general, but with a particular focus on the comparison between LRAD and PLAS.

2.6. Ethics statement

The researcher kept all data gathered confidential and for academic purposes as Babbie (2007:27) indicates that “the fundamental rule of social research is that it must bring no harm to research subjects”. The researcher negotiated access to projects as a researcher rather than as an employee of DRDLR. All data collected and analyzed from departmental documents were used solely for research purposes. All respondents were assured that all data collected and their views would not jeopardize their relationship with any of the stakeholders because it is for the purposes of academic research.

The author is aware of the importance of privacy, anonymity, and confidentiality in interviews as suggested by Neuman (2003:126). The researcher also acknowledges the possibility of getting information which may presents DRDLR in a negative light, and such information will not be used for anything beyond this academic endeavor. It is assumed that the process of collecting data may create expectations from the respondents; however, the researcher will not convey the data to DRDLR.

CHAPTER 3: LITERATURE REVIEW

3.1. Market Based Land Reform

3.1.1. International perspective

According to Lahiff (2007a:2) there is a general understanding amongst scholars that Market-Based Land Reform (MBLR) has emerged as a reaction to the perceived weaknesses of state-led approaches to land and agrarian reform. This experience has drawn observations from countries like China, the Soviet bloc and their satellites in Africa, and Latin America where there were inefficiencies of state and collective farms. It is also based on the assertion that markets can bring efficiency and equity benefits through transferring land from less to more productive users i.e. from large to small.

Van Zyl and Binswanger (1996:419) indicates that “this was key with the World Bank and others, and the change observed is related to the greater acknowledgement by neo-liberal economists that markets alone are unlikely to bring about the anticipated restructuring of property relations, due to a range of imperfections, including limited access to capital and information on the part of the vulnerable buyers as well as the tendency of land prices to exceed productive value.”

In Zimbabwe, MBLR mechanisms were adopted as part of wider political and economic concessions made to white settlers during transition, with a particular goal to protect white property interests (Moyo, 1995 as cited by Lahiff, 2007a:5). In this case, the concept of the ‘willing seller, willing buyer’ has been identified as a constraint to government through granting land owners a veto on the reform process (Moyo, 1995 as cited by Lahiff, 2007a:5). Expropriation was then consented as the Constitution was amended in 1992 and land acquisition was passed, in cases where land was under-utilized. However, even in this arrangement, payment was required upfront (Moyo, 1995 as cited by Lahiff, 2007a:5). The 1992 Land Acquisition Act was enacted to speed up the land reform process by removing the "willing seller, willing buyer"

clause, limiting the size of farms and introducing a land tax (although the tax system was never implemented.). The Act empowered government to buy land compulsorily for redistribution, and a fair compensation was to be paid for land acquired.

In countries such as Brazil and Philippines, MBLR evolved from longer running processes of non-market based land reform. This market-assisted land reform became the dominant model in some of these countries, not because of its inherent merits, but due to the conditionality or political pressure and the increasing political costs of state intervention (Hall, 2008:9).

3.1.2. Need for land reform in South Africa

Land questions have shaped the history of South Africa to a point that its solution is critically important for stability, democracy and development (Anseeuw and Mathebula, 2008). Historically, dispossession by white settlers of the land occupied by indigenous black societies was centrally important in creating a racially polarized and highly unequal society since the 17th century. This legacy was continued by the apartheid government which relocated millions of black people, in both urban and rural areas, attempting to create separate racial zones and ethnically-defined 'homelands'. As indicated by Cousins (2009) productive land was lost and the small-scale farming that helped rural households to survive was undermined, hence white commercial farmers were given massive financial support and subsidies, and over time they became highly productive.

Land reform intends to redress the imbalances created by the past regimes. Land therefore carries a powerful political charge (McMillan *et al.*, 1992). It was for this reason, too, that 'reconciliation' was seen in 1994 as one of the important motivations for resolving the land question. Secondly, it is believed that redistribution of farmland, together with other rural development programmes, can make a significant contribution to poverty reduction. This is why it is one of the five key focus points in the ANC 2009 election manifesto. Around 40% of the population is located in rural areas, and this is where the deepest poverty is found, so there is some justification for this view (Cousins, 2009).

Lahiff (2008:32) states that “since 1994, land reform in South Africa has attempted to achieve many things, among them a more equitable pattern of landholding, the alleviation of rural poverty through the creation of opportunities for employment (including self-employment), the economic development of rural areas and reparations (both symbolic and material) for historical injustices.”

3.1.3. Market-based Land Reform in South Africa

As indicated by Lahiff (2005) the debate around land reform in South Africa has been based on the concept of the ‘willing seller, willing buyer.’ The World Bank influence in South Africa resulted in the setting of targets for the entire land reform programme, i.e. redistribution, restitution and tenure reform, was aiming to redistribute 30% of white owned agricultural land within a five year period. Hall (2008: 6) argued that the market assisted land reform, as promoted by the World Bank, had made little progress where only 1% of the targeted 30% of white owned agricultural land had been distributed by 1999 and only 4% by 2008. The constant postponement of the target date proves the inefficiencies of the strategies employed. In the third term of ANC governance, there is a general acknowledgement that the 30% target is not feasible within 2014 which is the targeted period (DRDLR, 2010b). The issue of targeting land transfer percentages by a particular period has since been put under the carpet by the current administration.

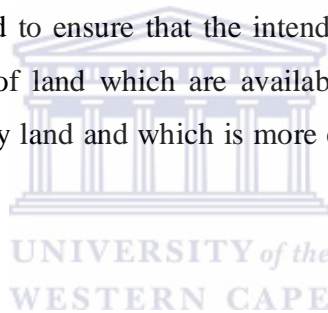
3.1.4. Land market for land reform

In South Africa, it is evident that there is an active market for property transaction including farming land. However, Lahiff (2007a: 9) argues that there are reasons to believe that much of the land being transacted is not available for land reform. Aliber and Mokoena (2002) recorded that there are accusations of collusion among land owners who are opposed to land reform. Good quality land that comes onto the open markets is mostly sold through public auctions and private contracts. As a result, this limits the participation of the intended beneficiaries in the process. This could be by default from the government side, because there are limited provisions to explore this kind of market, because land reform systems do not have provisions for land

purchase through auctions. Furthermore, the bureaucratic approval processes required by government on land reform transaction cannot compete with the duration at private market conclude its transactions.

The delay in government transaction is also a contributing factor in the choice of market. As indicated by Lahiff (2007a:9) the approval process requires a written agreement to sell from the land owner, and the asking price will have to be confirmed as 'market related' by an independent valuer appointed by the state. The applicants of land reform cannot participate in auctions, nor shop around, nor confirm the purchase within a usual time frame and so are excluded from the great majority of sales on what continues to be a highly competitive land market.

The limited grant sizes, coupled with limited budgets, long and restrictive approval processes and land owner bias are combined to ensure that the intended beneficiaries of land reform are restricted to smaller proportions of land which are available on the market. These results in beneficiaries acquiring poor quality land and which is more expensive than they would wish for (Lahiff, 2007a:9).



3.1.5. Market prices for land

As indicated by Lahiff (2007a:10), in South Africa the payment of market prices has been central to MBLR. However, the payment of market prices has been vigorously opposed by organizations representing landless people, as discussed at the National Land summit in 2005 (DLA, 2005). The acknowledgement of the challenge by landowners suggests that there may be some acceptance of non-market measures, even expropriation, to acquire land, but not of compensation at below market rates (Lahiff, 2007a:11).

The prices which are paid for land reform farms are normally set by the professional private valuers appointed by the state, and they establish their own market prices considering factors such as the recent sales of comparable properties in the area. In cases where the valued price falls below the asking price of the landowner, the state enters into negotiations with the land owner. In the process, landowners are at liberty to accept or reject the offered price, and the beneficiaries

are normally excluded from this process. Considering the reported cases of deals falling through due to differences between the asking price and the amount offered by the state, Tilley (2004) attributes this to the inadequacy of negotiation skills within the DLA.

Aliber and Mokoena (2002:27) argue that MBLR in South Africa places land owners in an advantageous negotiation position because the limited number of properties is offered for land reform purposes. Applicants also often have strong preferences for a particular property. Furthermore, the additional cost incurred by the status before and during negotiations would be repeated, should the negotiations fail. As noted by Tilley (2004:39), the DLA process was too slow. There is a general reluctance of landowners to make their land available for land reform citing that the department does not seem to keep up with the pace of land transactions and the sellers get frustrated (Tilley, 2004:40). The bureaucratic process of approving a project has added a strain on the land market. This situation creates conflict between the political target which was to redistribute 30% of white owned agricultural land by 2014, versus government processes of assets and property acquisitions.

In terms of government, there are processes such as price confirmation of the property, business feasibility, and beneficiary's contributions, which are requirements towards the purchase of the land. Services such as valuations, business plans and feasibility studies, formations of legal entities, are in most cases outsourced using processes which are not conditioned to speed up the process. In addition, there are approval structures from the district level to the provincial levels, which equally contribute to the delay of the transaction. The meetings of such structures are scheduled at a minimum interval of a month, which means that if a next project phase is dependent on the results of the adjudication, it would have to wait for the committee adjudication.

3.1.6. Budget for land reform

As indicated by Hall and Lahiff (2004:1) the principal budget for land reform comes from the funds allocated to the DLA, and this covers the operating costs of DLA and the Commission on the Restitution of Land Rights, as well as the capital budget for land acquisition. Support for land

reform also comes from other government departments, notably the national and provincial departments of agriculture, district and local municipalities, and the state agencies such as the Land Bank, the National Development Agency, etc.

There has been a considerable shift of budget allocations between Restitution and Land Reform. In the early years of the programme, land reform was the better resourced, but the demand for land restitution, coupled with redistribution under expenditure has resulted in the shift of focus towards restitution.

The growth of the budget for land reform has been steady but slow, despite clear indications that a dramatic increase is needed to meet government's official target of redistributing 30% of white owned agricultural land by 2014. The introduction of the Agricultural Land Holding Account brought significant changes in the budget of land redistribution. This is a sub-programme responsible for buying and holding land until suitable beneficiaries are identified in terms of the Provision of Land and Assistance Act (1993). The sub-programme had an allocation of R2.1 billion which was used for land purchase (National Treasury, 2012:19). This is in addition to the R698.3 million budget allocated for land reform grants which is meant for programme and project planning, land acquisition and settlement, and allows the department to maintain, plan, develop and improve property. For 2013/14, the land redistribution programme is allocated R2.7 billion which will be split between recapitalization of 552 farms and the acquisition of 170 000 hectares of land (DRDLR, 2013).

3.1.7. Beneficiary identification and selection

Hall (2010b:65) argues that categories of targeted groups such as 'marginalized groups' of women, farm workers, the disabled and the youth are just a proxy of the 'poor'. These groups might get preference in the evaluation processes, but there is no strategy to pursue and prioritize them. The current MBLR is designed in such a way that beneficiaries 'self-select' themselves, rather than by state-led processes. This process is likely to ensure that people with less interest in land reform are excluded from the process. However, this does not guarantee that those in most

need of land manage to access the programme or that those who apply to the programme acquire the land they want (Lahiff, 2007b:13).

As indicated by Hall (2008:18), “the notion of ‘self-selection’ by beneficiaries as defining demand led cornerstone MBLR has been criticized, citing that the only expression of demand recognized by the state was the submission of land grant applications, and those who succeeded in getting that far were those with assets, education, transport, political networks, and ready cash with which to pursue their applications for state assistance.” The self-selection practice is common in redistribution from SLAG through LRAD to PLAS. In all these redistribution programmes, beneficiaries selected themselves, based on their own dynamics without compulsion from the state.

3.2. Land Reform in South Africa

The land reform policies of South Africa’s first non-racial democratic government began with the Constitution and the Reconstruction and Development Programme (RDP). The RDP document became the election manifesto of the African National Congress (ANC) in the 1994 elections. This document was heavily influenced by the compromises that were negotiated in order to facilitate the relatively peaceful change of regime in South Africa, which was in transition from apartheid to democracy. It is evident that demands that have been part of the politics of liberation movements, such as the call of the 1955 Freedom Charter that “the land shall belong to those who work it”, were given expression in the RDP (ANC, 1955).

The 1997 White Paper on the South African Land Policy sets out a wide range of objectives ranging from dealing with racially-based land dispossession, promoting economic growth and providing tenure security for all (DLA, 1997). This programme had a vision which sought to contribute to reconciliation, stability, growth and development in an equitable and sustainable way (DLA, 1997). This programme comprises the redistribution, tenure reform and restitution programmes, as stipulated by sub-sections 25(5), 25(6) and 25(7) of the Constitution respectively (RSA, 1996).

3.2.1. Land Restitution

Sections 121-123 of the Interim Constitution of South Africa gave birth to the enactment of the Restitution of Land Rights Act (Act 22 of 1994). The objective of this act was to provide for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of the past racially discriminatory laws or practices. This is the date that gave birth to the Native Land Act which resulted in blacks losing their status of owning land.

The restitution of land rights is a political process where communities who were dispossessed through apartheid legislation and policies, could submit claims for the restoration of their lost land (DLA, 1997). The Land Restitution Act was introduced in South Africa with the focus on redressing past injustices created as a result of racially based legislation or practices. It is closely linked to the need for the redistribution of land and tenure reform, thereby forming an integral part of the broader land reform programme. It is aimed at contributing positively to the process of reconciliation, reconstruction and development. As indicated in the White Paper on South African Land Policy, the land restitution programme only considers those communities that can prove that they were forcibly removed after 19 June 1913 (DLA, 1997:23).

According to Platzky and Walker (1985) it is estimated that more than 3.5 million people and their descendants have experienced racially based dispossession and forced removals during the years of segregation and apartheid. These removals were carried out in terms of the Native Land Act, Act 27 of 1913, the Native Trust and Land Act, Act 18 of 1936, the Group Areas Act, Act 41 of 1950, and the Urban Areas Act, Act 21 of 1923. In addition, rural removals consisted of various categories, such as black spot removals, removal of labour tenants, removal from mission stations, removal based on forestry requirements and internal removals in the scheduled and released areas.

Although the Land Restitution Act sets up a legal and administrative process, this process does not aim to meet any targets for the redistribution of land. Successful land claims can be settled with the return of land, provision of alternative land, payment of cash or another form of

compensation (DLA, 1997). It is noted that the majority of claims have been settled through financial compensation, not the return of land (Hall, 2004: 12).

3.2.2. Land Tenure Reform

The White Paper on the South African Land Policy views tenure reform as a complex process. “It involves interests in land and the form that these interests should take. In South Africa, tenure reform must address difficult problems created in the past. The solutions to these problems may entail new systems of landholding, land rights and forms of ownership, and may therefore have far-reaching implications” (DLA, 1997:60).

Bradstock (2005:5) posits that until the 1990s it was government policy that black people should not own land. Land rights in the homelands and townships were permit-based or held in trust. In most cases land was registered as the property of government or the South African Development Trust. The result was that although households occupied the land for many years, they had no legal right on that land. This uncertainty was the cause of conflicts as land could be confiscated, redistributed or sold by others who claimed to own it.

Setting the terms and conditions by which people can hold and gain access to land remains one of the most complex challenges and difficult tasks facing the South African government. The absence of legally recognised land tenure arrangements is the overriding factor that makes rural areas unattractive, especially for the local financial markets. For these reasons, significant attempts were made to remove all the restrictions on land which prohibited black South Africans from owning, leasing and gaining access to land. This includes a system of land holding rights which promote development in rural areas.

The land tenure reform deals with the land rights of people in communal areas, farm workers and labour tenants. The communal system exists in large parts of South Africa and it provides free or cheap access to land to the poor. However, this system undermined the individual rights of the community. This is because land which had previously been jointly utilized by a group would be

converted into a small number of 'full economic units' and awarded to a minority, whilst the majority of the group lost access to land (DLA, 1997:25).

Labour tenants are impoverished members of communities who exchange their labour for the use of land on white-owned farms. In many cases the labour tenants have lived on the land in question all their lives, as did their ancestors for several generations and who are buried there. They know no other way of life and having been denied education opportunities by the apartheid regimes, are unable to compete for opportunities.

Farm workers and labour tenants are one of the most impoverished and isolated groups in South Africa and are the poorest group of people in the formal sector of the South African economy (Marcus, 1996:43). In 1986, the average income of farm workers in South Africa was R104 per month (Segal, 1991:7), which had increased to R225 in 1992, and by 1996, almost three-quarters of farm workers still lived below the poverty line.

The process of developing legislation to deal with tenure in communal areas dragged on for years with little progress; until the Communal Land Rights Bill was gazetted in August 2002 (*Government Gazette* no. 23740). It was later re-gazetted in October 2003 (*Government Gazette* no. 25562). The Bill came in for heavy criticism from land activists and academics, but nevertheless it was passed by Parliament in February 2004. The Communal Land Rights Act (Act 11 of 2004) was signed into law by the President on 14 July 2004 (Claassens, 2003; Cousins and Claassens, 2003; Sparks, 2004). This Act was finally struck down in 2010 after numerous contests by communities resisting having their land administered by 'traditional councils' and claimed that it was unconstitutional.

3.2.3. Land Redistribution

The 1994 Agricultural Policy of the ANC credited the Land and Agricultural Policy Centre (LAPC) work and set as its primary objective "equitable access to and optimal use of agricultural resources" (ANC, 1994:2). Though both principles of equity and efficiency are in conflict with each other, they underpinned the World Bank's proposals which shaped the policy proposals of

South Africa for more than a decade. Hall (2010a) indicates that “these competing and contradictory visions for the future of agriculture were refracted through policy processes which produced a White Paper on Agriculture in 1995” which aimed to bring small scale farmers into the mainstream. This also led to the development of the Agricultural Policy three years later (MALA, 1998).

The cornerstone of the state’s agricultural strategy – the removal of state support and the regulation while aiming to ensure new entrants into the ‘mainstream’ of commercial agriculture - created conflicting policy objectives (Coetzee, 2003:227). Although the Land Policy aimed to establish “small farmers”, the Agricultural Policy envisaged that markets should determine the scale of production: “The regulatory framework for agriculture will be scale neutral and will facilitate participation in production and marketing by new entrants to farming” (RSA, 1995:7).

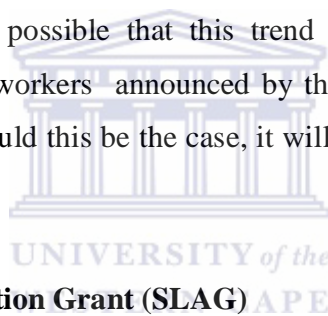
One of the strongest arguments for redistributive land reform worldwide is that it creates an environment for growth in agricultural production which supports broader economic growth and has a positive impact on poverty reduction. Such arguments are supported by information showing that countries with more equitable distribution of land tend to have higher levels of economic growth, while high levels of land concentration are often associated with less efficient resource utilization (World Bank 2003).

Posterman and Reidinger (1987) argued that there is an inverse farm size-efficiency relationship in which smaller farms, where the producer has a secure owner or owner-like relationship to the land, produce substantially better return per hectare and on investments than any other model of agricultural production. They also argue that such analysis of productivity probability hides the full extent of the advantage of the owner operator system as it is based on only the main crops and does not take into account the variety of other crops normally grown on small owner-operated farms.

Other reasons offered for the beneficial effects of redistributive land reform are the breaking control of labour by large landlords (Griffin *et al.*, 2002), a better total factor productivity of

small farmers, the labour intensive nature of small farms, and the large contribution of agricultural growth to the non-farm rural sector (Wilson and Ramphele, 1989). A study by Mellor (1999) indicates that growth in agriculture also has a disproportionately positive impact on poverty levels in comparison with other sectors. Not only is agriculture a large employer, it is a large employer of the poor. Thus a relatively small increase in growth in agriculture will have a large positive impact on employment and incomes for the poor.

However, an established long-term trend of declining employment in agriculture is revealed. According to data contained in the *Survey*, in 2001 there were 969 000 people employed in agriculture. However, by 2012 that figure had declined to 638 000. This is a loss of 331 000 jobs in the sector, or a decline of 34%. The data also showed that in 2001, 7.8% of South Africa's workforce was employed in agriculture, which by 2012 had declined to just 4.7% (Lebone, 2013:1). It was therefore quite possible that this trend could be accelerated by the 50% minimum wage increase for farmworkers announced by the Labour Minister and set to come into operation in March 2013. Should this be the case, it will be a setback for rural development efforts (Lebone, 2013:1).



3.2.3.1. Settlement Land Acquisition Grant (SLAG)

The first approach adopted by government for redistributive land reform was the Settlement Land Acquisition Grant (SLAG) which targeted families with an income of less than R1 500 per month. The poor were clearly the target group and poverty alleviation was a main objective. In this system, cash grants of R16 000,00 per household were allocated to previously disadvantaged individuals for farm land purchases. The land was purchased mainly for settlement and agricultural production. The first four years of the land Redistribution Programme were incredibly slow. The National Land Committee estimated that at that rate, it would take 45 years to distribute 15% of agricultural land and 125 years to redistribute 30% of agricultural land (NLC, 1995).

The SLAG programme is presumed to have failed mainly because of disputes which emanated from overcrowded projects (Turner and Ibsen, 2000:15). The disputes were mainly

disagreements over access and benefits by beneficiaries. As indicated by (Coetzee and Jooste, 2005) beneficiaries pulled funds together in order to be able to purchase unproductive land at high prices (Jacobs *et al*, 2003).

A range of weaknesses in implementation and quality of the group projects created in SLAG were identified (DLA, 2000). This included the size of the grant which was inadequate to purchase land and therefore perpetuated larger groups for a farm unit, and the grant was minimal to finance the required production inputs. In 2000, the government issued a policy statement confirming the weaknesses of the SLAG approach. These included its failure to realize land reform objectives, the reliance on market forces for redistribution, failing to produce the desired results, and the SLAG grants being unsuitable for the creation of a group of black commercial farmers (DLA, 2000). The results of SLAG were chaotic, with groups displaying conflicting objectives. The policy statement outlined the new approach to redistribution and was followed shortly thereafter by the release of the first draft of the Land Redistribution for Agricultural Development (LRAD) programme, which was to become the primary mechanism for land redistribution by 2014. The first draft was rather different from the initial ones. Initially it was only for 'qualified' farmers and own contribution was to be in cash or kind, not labour i.e. it was payable by everyone.

Farm workers also qualified to apply for the R16 000 per household grant to finance or partially finance the purchase of equity shares in farms. Few farm workers benefitted from the scheme; there is no reliable data to assess how successful this scheme has been.

In 1997 the DLA adopted a Municipal Commonage Programme. The intention was to "encourage local authorities to develop the conditions that will enable poor residents to access existing commonage, currently used for other purposes. Further, the Department will provide funds to enable resource-poor municipalities to acquire additional land for this purpose" (DLA, 1997:50). Though Municipal Commonage had the greatest transfers by 2003, its emphasis was minimised after the ministerial review process of land reform in 2000 (Anderson and Pienaar,

2003:1). This model has not been fully explored, and its implementation had been overshadowed by dual implementation of different redistribution models.

3.2.3.2. Land Redistribution for Agricultural Development (LRAD)

The three sub-programmes of land redistribution were finalised in the LRAD plan. This includes “Agricultural Development - to make land available to people for agricultural purposes, Settlement – to provide people with land for settlement purposes [and] Non-agricultural enterprises – to provide people with land for non-agricultural enterprises, for example ecotourism projects” (DLA, 2001:1). LRAD replaced the former Settlement Land Acquisition Grant scheme (SLAG) in 2001. SLAG can be considered a tool for assisting the poor (families with a monthly income of less than R1500) with land purchase by granting the amount of R16 000 per household (DLA, 1997).

The intention of SLAG was to uplift the status of the very poor and to reduce poverty amongst the targeted group of beneficiaries (Wegerif, 2004:11). Besides individuals, groups or entire communities were able to qualify for the grant as well. By working together, communities could qualify for a substantial sum towards acquiring land (De Villiers, 2003:50). However, a review of the SLAG policies by the DLA between 1998 and 1999 revealed several weaknesses within the implementation process as well as regarding the quality of the group projects SLAG had created (Wegerif, 2004:11).

In contrast to SLAG, LRAD was designed to be more market-friendly and *in toto* closer to the original approach whose design was influenced by the World Bank, which consulted the DLA in the developing process (Wegerif, 2004:11). The LRAD programme was expected to enhance "commercial" agricultural production for the market rather than subsistence production (Andrew *et al*, 2003). LRAD differed from SLAG in that beneficiaries do not have to be poor to qualify for a grant. The grant was a minimum of R20 000 which was increased to R111 000 in 2006, and beneficiaries who had more savings and who could raise bigger loans to finance their farms, also qualified for larger grants. Beneficiaries could add equity and debt capital totalling at least R400 000 (which later increased to R500 000) to qualify for a maximum grant

of R100 000 (which was later increased to R430 000). This approach symbolized a significant shift in the South African government's land redistribution policy, which takes a different path from poverty alleviation and group settlement, but supports settling prospective commercial farmers on their own farms. In its first year, LRAD redistributed approximately one million hectares of farmland in South Africa (Lyne and Darroch, 2004).

The common factor between SLAG and LRAD is that they are "willing buyer-willing seller" driven, which means that the availability of land on the market depends on the willingness of the owner and/ or the seller, unlike restitution where land is claimed by the dispossessed. The "willing buyer-willing seller" strategy received criticism as it has achieved minimum success and it was one of the core issues addressed in the 2005 Land Summit. Redistributive land reform was highly criticized for its slow progress and much of that was attributed to the lack of willingness to sell by white land owners who were criticized for inflating land prices where government was involved in purchasing (DLA, 2005). In addition, it was also raised that although land became available in the market on a "willing buyer-willing seller" basis, the land in question in most instances did not correspond with developmental needs such as proximity to resources (DLA, 2005). The LRAD model was dropped in 2010 with the new focus on the state-driven model, the Proactive Land Acquisition Strategy (PLAS) (DRDLR, 2010b).

LRAD was a more explicitly market friendly approach, closer in design to the suggestions of the World Bank and other proponents of market-based land reforms than the SLAG programme had been (Lahiff, 2001). That followed a broader shift in the post liberation government's economic policies that took a more market and investor-friendly direction with the adoption of the Growth, Employment and Redistribution (GEAR) macro-economic policy, in 1996. The LRAD programme had replaced an income ceiling under SLAG with an entry floor, requiring beneficiaries from all classes to make their own contributions to projects. It also put more emphasis on ensuring an economic benefit from land redistribution and the promotion of a black commercial farming sector (Lahiff, 2001). Similar to SLAG, LRAD had objectives such as improving the nutrition status and incomes of the poor and addressing the legacy of inequitable landholding in South Africa (DLA, 2001).

3.3. Proactive Land Acquisition Strategy (PLAS)

PLAS was introduced by the Minister of Agriculture and Land Affairs during the National Land Summit of 2005. One of the measures that needed to be in place was “to ensure that land and agrarian reform moves to the new trajectory that will contribute to the higher path of growth, employment and equity by 2014” through the “introduction of proactive land acquisition by the state for targeted groups in the land market” (MALA, 2005). This move was perpetuated by political pressure for government to drive land reform.

The market based land acquisition wherein the state purchased land on behalf of the approved beneficiaries, was initially rejected by the state citing that the ‘supply led’ approach would risk the state being left with land which it could not maintain or disposed of. The land summit gave birth to the Proactive Land Acquisition Strategy (PLAS), which remained the sole redistribution mechanism by 2010. Under PLAS the state became the ‘willing buyer’ of land for redistribution, “(...) by actively using market opportunities where they arise” (Lahiff, 2008:7) in order to accelerate the land redistribution process. The state also approached land owners to sell, while under LRAD the state provided possible beneficiary grants in order for them to buy land. Under PLAS, the state bought land directly from the seller (Wachter, 2010:77).

At the 2005 Land Summit the whole land reform programme was re-assessed in terms of its failures and achievements. It was concluded that the “willing buyer-willing seller” approach was delaying the process, because those who own the land, determine which land goes to the market. Both SLAG and LRAD were viewed as demand driven land acquisition models; a new approach should be a supply led approach. That suggested that government should initiate a process of land identification, acquisition and warehousing, and then make it available to beneficiaries (DLA, 2006a:7).

Therefore, the Proactive Land Acquisition Strategy was adopted in 2006. It started as an intervention strategy to accelerate the land redistribution process. The approach deals with two possible alternatives: a needs-based approach and a supply-led approach (DLA, 2006a:6). Land is identified, acquired and developed by government to make it available to those who will lease

it from government. The strategy indicates that (DLA, 2006a:6) “the focus is on the government as a lead driver in land redistribution, rather than current beneficiary-driven redistribution. This means that the government will proactively purchase land and match this with the demand or need for land in a specific area.”

Accordingly, proactive land acquisition must be executed within the ambit of local/district level IDP processes or area-based planning approach. Thus Municipalities and/or local/district agriculture may actively identify land and beneficiaries, and then approach the DLA for funding assistance for planning and land acquisitions. The DLA may also embark on the process (with the Municipality/District Council as lead agents and/or local/district Agriculture) of actively identifying needs, land and beneficiaries (DLA, 2006a:9).

3.3.1. PLAS strategic objectives

The strategy aimed at four particular pillars. The first is to accelerate the land redistribution process. The second is to ensure that land can be acquired at the nodal areas and in the identified agricultural corridors and other areas of high agricultural potential to meet the objectives of ASGISA. The third is to improve the identification and selection of beneficiaries and the planning of land on which people would be settled. The fourth is to ensure the maximum productive use of land acquired (DLA, 2006a:6). The PLAS is aimed at dealing with two approaches, namely a needs-based approach and a supply-led approach but essentially focusing on the state as the lead driver in land redistribution rather than beneficiary-driven redistribution. This means that the state identifies the land, purchases it and then makes it available to beneficiaries for lease.

3.3.2. PLAS Legislative Framework

The legislative framework which PLAS is based on remains the Provision of Land and Assistance Act, Act No. 126 of 1993. Section 10(1) (a) gives legal effect to the proactive acquisition of land, “The Minister may, from money appropriated by Parliament for this purpose- (a) acquire land for the purposes of this Act.” PLAS targets black people (Africans, Coloureds

and Indians), groups that live in communal areas, black people with the necessary farming skills in urban areas and people living under insecure tenure rights. The rationale is to contribute to the decongestion of the communal areas, secure on or off-farm accommodation and to create sustainable livelihoods. Additionally, the strategy also intended to cater for emergent and commercial farmers.

3.3.3. Acquisition and Disposal Financing

PLAS proposed that once beneficiary selection has been finalised, beneficiaries are expected to lease with an option to purchase and lease fees would also be taken into consideration once the applicants are ready to acquire full ownership of the land (DLA, 2006:8). The process of ownership transfer would be preceded by an assessment undertaken by the Department of Agriculture. Accordingly, the strategy indicates that leases are determined according to the length of a production cycle of a particular agricultural enterprise (DLA, 2006a:8).

Once the trial-lease period expires the land can be disposed of to the same beneficiaries if they have been satisfactorily assessed by the Department of Agriculture. The strategy further indicates that a “qualifying grant” based on the LRAD grant system would be made available to beneficiaries and discounted against the purchase price. The sale price of the land would have been fixed at acquisition by the DLA. A further discount of 30% would be offered to all qualifying beneficiaries. If grants and the discounts are still not enough to reach the purchase price, then beneficiaries should be assisted to obtain finance from commercial financial institutions and development financial institutions such as the Land Bank.

3.4. Land use patterns

Lahiff (2007b:3) indicated a trend of projects being established between the four broad land use models and cutting across various economic sectors of agriculture, forestry, tourism, conservation and mining. These trends were identified in terms of (a) individual and or household access to land for small scale agricultural production which is popular in LRAD projects; (b) groups influenced by grant structure which are highly prevalent in SLAG projects;

(c) the joint ventures between beneficiaries and the private sector which are referred to as strategic partnerships in restitution projects; and (d) the contractual arrangements where control is handed over in return for some payment. The latter has reference experience in LRAD projects.

3.4.1. Individual farming

Under redistribution, individual production was introduced and promoted through LRAD as members qualified as individuals rather than as households (Jacobs *et al.* 2003). Individual qualification was unique to the programme since SLAG targeted households. . It is easy to identify small group projects in which most members are related to one another (Hall, 2009).

Lahiff (2007b:3) also identified that settlement agreements and business plans for restitution cases tend towards unitary models of land use. The bias against small scale has been across both restitution and redistribution programmes through its SLAG and LRAD. It is in very limited instances where economic activities would be conducted collectively. This therefore raises a question of who is pursuing the collective practices in land reform between beneficiaries and the government (Hall, 2009).

The promotion of collective solutions suggests that these trends originate in government practices rather than with communities themselves. Lahiff (2007b:4) argues that subdivision is ignored even where it is more feasible. Lahiff's (2007b:4) argument advocates that individualization of land use would appear to have many advantages, given the type of resources being restored and typical skills, assets and livelihood needs of community members. The promotion of individualization has the potential to reduce conflicts over access to resources, the organization of production, the payment of bills and the distribution of benefits which are proving complicated and controversial in many land reform projects (Hall, 2009).

3.4.2. Collective access to land

According to (Hall, 2009:26) “group access to land has been the dominant model of land use in most settled restitution claims. Similar trends have been identified in redistribution, particularly in SLAG projects. The large groups of poor people attempting group production, with minimal external support and limited capital, were largely blamed for the challenges experienced in SLAG projects.” Despite this accusation, LRAD continued to create similar types of projects due to the grant pattern. These group based projects are usually not limited to land ownership, but also include individual resources such as assets, labour, animals, mechanization, etc.

Hall (2009:27) argues that “attempts to create instant successful replicas of white commercial farmers had been the cause of disappointing outcomes in land reform. This tendency often sets participants up for failure. Beneficiaries typically do not have the necessary working capital, or the financial skills to manage commercial types of enterprises.” Moreover, it would not be efficient for them to continue the highly capital intensive mode of production of white commercial farmers (MALA, 2003:12).

However, Pienaar (2009:6) identifies that the rights of individual participants have simply not been determined or allocated within the community context. This lack of individual rights determination has led to the abuse of resources by those who are more powerful, particularly those that consider themselves as founders of the project, and this conduct also served as an instrument to drive others out of the project.

3.4.3. Household production

This model of land reform was introduced by LRAD which discontinued obligatory group productions through the SLAG model. As indicated by Hall (2009: 27), “land reform projects with individual or family based production are less common”. As noted by Lahiff (2007b:8), ambitious plans to engage jointly in production have sometimes failed to get off the ground. Where these were premised on the availability of infrastructure, capital and training did not materialize. A national review on communal property institutions (CPIs) found that projects in

which members where no longer involved were in contravention of their obligations and therefore could not access the balance of their grants from the government or enter into contracts with outside parties (CSIR, 2005). However, Lahiff *et al* (2008) argued that “attrition of members is often an outcome, rather than the cause, of project plans not being realized.”

Production of crops for sale is more common as a group based enterprise, while production of food for consumption is usually conducted separately by households (Andrew *et al*, 2003). Hall (2009: 28) indicates that it is usually the exclusion of this production for consumption from the business plans which leads to deviation from planned land use. Moreover, project members often found that they do not derive immediate benefits from contributing labour and resources of group production, hence household based production has the ability to resist the departure temptation. This further suggests that, compared to the collective operation of commercial farms, household based production is a low risk strategy that allows poor people to produce for markets, but also to consume their produce, in the absence of other sources of income (Hall, 2009:29).

3.4.4. Joint ventures, strategic partnership and co-management

Mayson (2003:1) identified five broad types of joint ventures in land reform in South Africa, each of which involves partnerships between land reform beneficiaries and either state or private entities. As indicated by Hall (2009:29), “joint ventures, strategic partnership and co-management emerged in part because of the barriers in land acquisition at market based prices, but also in response of the limited operating capital faced by land reform beneficiaries.” The identified types of joint ventures include contract or out-grower schemes, share–equity schemes involving farm workers, municipal commonage schemes, share-produce or sharecropping schemes and company supported schemes (Mayson 2002:2).

Mayson (2003:1) explains that contract farming is an agreement between small-scale farmers and processing or marketing firms, in which farmers agree to supply an agreed quantity of goods of a specified quality. In return, the farmers are paid for the produce, but also receive support such as credit, training and extension services. This is an important model for smallholder production as it provides a means of bringing private sector support to resource poor producers, in the form of

access to input, credit, training and a secure market for produce. However, it should be noted that it is the content of these contracts that are controversial, because in a situation where a few major companies dominate a sector, they have substantial price-setting powers (Hall, 2009:31).

Lahiff (2007b:9) defines share equity in agriculture as “arrangements in which farm workers, small scale farmers or other disadvantaged people buy shares in a commercial farm or an agricultural processing company.” This is done through the assistance of government through grants. Mayson (2003:2) identifies this model as a means to provide access to very cheap capital for commercial farmers who need to recapitalize their production. This view suggests that this model enables land reform beneficiaries to overcome the barriers of entry into these enterprises that are capital, technology, expertise and labour intensive. The joint ventures, strategic partnerships and joint management are prevalent in both restitution and redistribution programmes, particularly under LRAD.

3.5. Conclusions

It is evident that different land uses emerged as a result of particular redistribution programmes. SLAG by its design, created group projects. This programme required applicants to qualify as households, rather than as individuals. Secondly, the amount of the grant (R16 000) that each household qualified for, was not compatible with agricultural land prices, and this resulted in group farming which led to conflicts between members of the group, to the extent of abandoning the farms.

Government considers redistribution as its flagship (Van den Brink *et.al.* 2006:28). However, the introduction of LRAD launched the individual farming model where applicants qualified as individuals. This programme also introduced additional land uses such as individual production and group based production. SLAG allowed for household production where one family accessed land with either relatives or on their own; it also made provision for joint ventures, partnerships and co-management. Both SLAG and LRAD required applicants to look for a land, while PLAS appeared as an intervention strategy which deals with two alternatives, namely a need based approach and a supply-led approach (DLA, 2007a:6). : In terms of PLAS “the focus

is on the government as a lead driver in land redistribution, rather than beneficiary-driven redistribution as experienced during SLAG and LRAD implementation (DLA, 2007a:6). This means that the government proactively purchased land and matches this with the demand or need for land in a specific area.”

PLAS was constructed on four particular pillars. Firstly, PLAS intended to accelerate the land redistribution process by eliminating a grant system which was limited to a particular amount of funding (DLA, 2006a:6). By doing this, PLAS eliminated a challenge where applicants failed to purchase the land because they could not secure additional funds to supplement the grant for land purchase. The second objective was to ensure that land can be acquired at the nodal areas and in the identified agricultural corridors and other areas of high agricultural potential to meet the objectives of ASGISA (DLA, 2006a:6). This objective introduced a focus of where land should be purchased, which is a unique land identification model in land reform. The result of this objective was the introduction of the Area Based Plan (ABP) which intended to identify potential areas. However, the ABP could not be concluded in most provinces and it has been changed to the Rural Development and Land Reform Plan (RDLRP) whereby all provinces are expected to develop and review their ABPs. Thirdly, PLAS intended to improve the identification and selection of beneficiaries and the planning of land on which people would be settled (DLA, 2006a:6). This objective had its focus on matching land with beneficiaries and the result of that was the beneficiary categorization in terms of their farming potentials, skills and resources. The fourth objective was to ensure maximum productive use of land acquired (DLA, 2006a:7).

CHAPTER 4: THE IMPLEMENTATION AND PROGRAMME OUTCOMES IN GAUTENG PROVINCE

4.1. Introduction

The Provincial Shared Services Centre: Gauteng (PSSC:G), formerly known as Gauteng Provincial Land Reform Office (GPLRO) started to implement the Proactive Land Acquisition Strategy (PLAS) since its commencement in 2006. There were no specific targeted areas in the province and beneficiaries targeted were similar to that of LRAD (Mphela interview, 2012). The implementation of the strategy was adapted to the existing LRAD programme. The introduction of the strategy arrived when PSSC:G was struggling to produce the desired targeted results. By 2004/5, the national target was to transfer 372 projects with a total extent of 120 128ha to 8418 beneficiaries, but only 328 projects with a total extent of 72 686ha were transferred to 5709 beneficiaries (DLA, 2005). The challenges included failure to match the grant with the land prices. By 2006, the LRAD grant was still ranging between R20 000 and R100 000 per individual. As indicated in the annual reports, in the 2006/7 financial year, Gauteng only transferred 1257 hectares under LRAD. This strain was also observed in other provinces such as Limpopo, where only 12 LRAD projects were transferred by the end of the 2006/7 financial year (DLA, 2007). A total number of 135 LRAD projects were initiated in Gauteng since 2001 and it benefited 2 220 households. Moreover, SLAG had also transferred 4 897.2150 hectares which created 50 projects and benefited 3 717 households.

Gauteng Province had transferred a total of 21 982 hectares under PLAS by the end of December 2009 (DRDLR, 2010a). This has benefited 5 971 households which translate into 7 397 individuals. Considering that PLAS was initiated in 2006, the transfer of 21 982 constituted a magnificent performance as compared to LRAD which had transferred only 6 674 hectares by the end of December 2009, since August 2001. As indicated by Andrew *et al* (2003) the slow delivery was amongst other reasons, ascribed to the grant structure whereby applicants were required to add equity and debt capital to qualify for a maximum grant (Andrew *et al*, 2003).

4.2. Land redistribution delivery trends

4.2.1. National redistribution performance

During the period 2007 to 2010 there have been significant changes in the implementation of land redistribution programmes, with PLAS showing high performance. However, PLAS was showing a significant contribution compared to all the other redistribution models combined. The highest peak was in the 2008/9 financial year with a significant decline in the 2009/10 financial year. By that time, DRDLR was adjusting to its strategic transition. Between 2007 and 2009, the number of projects and hectares of PLAS were competitive as compared to other redistribution products combined. The average number of hectares per project had been consistent and increasing under PLAS while other programmes had been consistently decreasing.



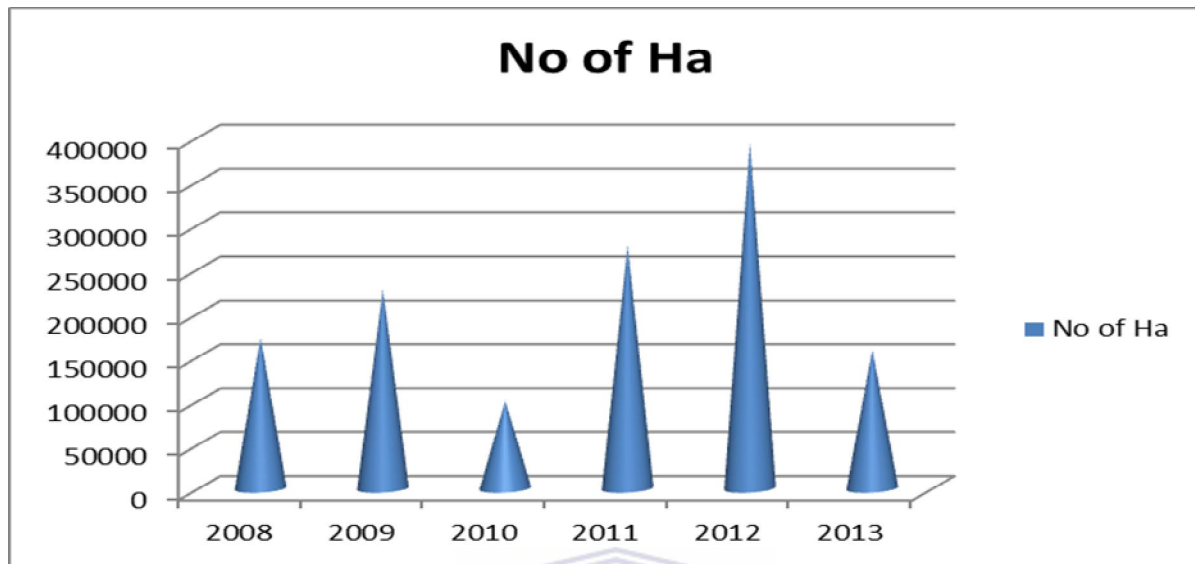
Table 4.1. Performance comparison of number of projects and hectares when PLAS was introduced (DLA, 2008c; DRDLR, 2009a; DRDLR, 2010a)

Programme	2007/8			2008/9			2009/10			2010/11			2011/12			2012/13		
	No of projects	No of ha	Average no per ha per project	No of projects	No of ha	Average no per ha per project	No of projects	No of ha	Average no per ha per project	No of projects	No of ha	Average no per ha per project	No of projects	No of ha	Aver. no per ha per project	No of projects	No of ha	Average no per ha per project
PLAS	191	171559	898	217	226986	1046	98	99433	1014	Unspecified	276396	-	310	392850		Unspecified	157556	Unspecified
Others*	194	174452	899	283	216614	765	276	140557	509	Unspecified	46448	-	0	0	0	0	0	0
Total	385	346011	898	500	443600	887	374	239990	641	288	322884	1121	310	392850	1267	-	157556	-

* Others include LRAD, Commonage, SLAG, and SPLAG



Figure 4.1. Performance comparison of number of hectares per annum when PLAS was introduced (DLA, 2008c; DRDLR, 2009a; DRDLR, 2010a)



PLAS displayed a very good potential when compared to the other redistribution models combined as indicated on table 4.1 and figure 4.1. As compared to LRAD, there is no own contribution expected for this transaction. LRAD projects which were deadlocked due to insufficient own contributions were converted to PLAS and purchased immediately (Manaka interview, 2011). A significant decline of PLAS projects was observed in 2009/10 where projects declined from 217 projects in 2008/9 to 98 projects in 2009/10 (DRDLR, 2010a). By that time, PLAS had already been implemented for three years and DRDLR was confronted with post-allocation support challenges. That included management of lease agreements, abandoned farms, farm assets registers and repairs of mechanical equipment (Mogaswa interview, 2011). As a result, there has been a greater concentration on dealing with those challenges, than on continuous acquisition. That challenge was new to redistribution because with other programmes, with the exception of commonage, land is owned by the beneficiaries; but government remained a property owner under PLAS.

It is important to note that the end of LRAD was marked with 46 448 hectares and at the time PLAS performance was growing (DRDLR, 2011:33). There has been significant changes in the delivery of land in 2012/13 when only 157 556 hectares were delivered. This is attributed to the departmental policy change from a hectare-driven approach to acquisition of going-concerns

(existing agricultural business concerns). Furthermore, 25% of the land acquisition budget was shifted to fund the Recapitalization and Development Programme (DRDLR, 2013a:39).

Table 4.2. National redistribution performance post increased redistribution grants (DRDLR, 2009a; DRDLR, 2010a)

Province	Hectares				No of projects			
	Others*		PLAS		Others*		PLAS	
	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10
Eastern Cape	14 919	15 144	32 603	24 533	26	31	33	33
Free State	8 727	17 821	55 514	12 390	25	44	73	11
Gauteng	0	378	2 554	1 366	0	7	16	13
KwaZulu Natal	59 528	41 742	6 010	1 679	95	62	20	4
Limpopo	12 208	8 960	2 392	5 743	70	71	3	6
Mpumalanga	15 246	11 657	37 025	17 423	17	16	48	19
Northern Cape	81 114	29 441	44 247	27 386	17	9	8	5
North West	6 231	7 857	46 636	5 183	14	20	16	5
Western Cape	18 637	7 553	0	3 725	19	16	0	2

* Others include LRAD, Commonage, SLAG, and SPLAG

Even though provinces such as North West and Free State struggled to pose significant land transfers in 2008/9, the situation was worse in Gauteng, where no project was transferred through other programmes (DRDLR, 2009a). This suggests that Gauteng replaced other programmes with PLAS, hence provinces like Western Cape continued with programmes other than PLAS. In 2009/10, Gauteng transferred 7 projects through other programmes; hence PLAS was also not showing much contribution. This occurred amidst several warnings by the Deputy Director General of Land Reform and the Director General that PLAS was not meant to replace LRAD, but should be considered a strategy of acquiring land. In both years KwaZulu Natal continued to have major transfers through programmes other than PLAS. Similar trends were observed in Limpopo and the Western Cape Province. That showed that some provinces decided to replace existing programmes with this one; others started slowly to adopt it in addition to existing

programmes. Some provinces viewed PLAS as a quicker land acquisition model; hence others were skeptical about administrative responsibilities after land has been transferred.

The number of projects transferred in Gauteng do not translate to more hectares because even when a higher number of projects are transferred, the total number of hectares transferred remains small as compared to the Northern Cape Province where only eight projects yielded 44 247 ha and five projects yielded 27 386 ha. On that note, if delivery was measured on the number of projects transferred, Gauteng would appear to be delivering substantially. However, delivery is measured in terms of the number of hectares transferred, despite the equal efforts required to complete a project. When DRDLR sets annual targets, they are based on the number of hectares which should be transferred, and provinces are therefore targeting those hectares. The same method of targeting is also emphasized on DRDLR annual reports and they are the main delivery targets (DLA, 2006b, DLA, 2007e, DLA, 2008c, DRDLR, 2009a, DRDLR, 2010a).

4.2.2. A national profile of beneficiaries

The table below shows that the highest number of beneficiaries in land redistribution was recorded in KwaZulu Natal, Western Cape and Mpumalanga Provinces and the lowest were in the Gauteng Province. This is not surprising given the numbers of projects transferred and the total hectares transferred. In the Western Cape Province, the land transferred benefited 563 persons with disability followed by KwaZulu Natal which transferred land to 91 disabled beneficiaries. Women also benefited in high numbers in the KwaZulu Natal Province in both years followed by Western Cape and Mpumalanga.

Table 4.3. Comparatives on distribution of benefits on land redistribution between 2008 and 2010 (DRDLR, 2009a, DRDLR, 2010a).

Province	Individuals		Females		Farm workers		Youth		Disabled persons	
	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10
EC	772	844	195	193	59	116	153	117	2	0
FS	144	382	53	189	42	30	40	89	0	0
GP	44	74	28	26	0	0	9	18	0	0
KZN	9449	4158	2279	2250	258	38	1755	1990	91	1
LP	550	563	293	286	164	113	215	275	6	14
MP	1177	1053	402	411	0	0	446	593	0	1
NC	364	98	48	39	232	14	46	41	1	2
NW	238	3117	35	1872	1	0	27	549	0	0
WC	1719	1073	578	529	993	901	0	466	563	14
TOTAL	14457	11362	3911	5795	1749	1212	2691	4138	663	32

4.2.3. Gauteng land redistribution delivery prior to the introduction of PLAS

It is clear that more LRAD applications were received in 2004/5, but only 18.7% were successful (DLA, 2005). The low percentage of transfer is attributed to the design of the LRAD programme whose benefit was conditionally attached to beneficiaries' contributions.

TABLE 4.4. The performance of different redistribution models in Gauteng Province (DLA, 2007e; DLA, 2008c, DRDLR, 2009a, DRDLR, 2010a)

Contents	2006/2007	2007/2008	2008/2009	2009/2010
Number of projects	48	45	16	20
Total hectares transferred	10 533	10 188	2 554	1 745
Minimum hectares per project	2.0	2.0	8	8
Maximum hectares per project	1365	1390	980	340
Budget spent	90 971 120	87 175 283	14 046 000	25 118 000
Donations	1	0	0	0
Beneficiaries	263	186	81	148
Maximum number of beneficiaries	96*	10	10	10
Women	68	92	28	26
Youth	27	Unspecified	9	18
LRAD projects	10	7	0	7
PLAS projects	33	38	16	13
ESTA projects	2	0	0	0
Commonage projects	1	0	0	0
Settlement projects	2	0	0	0

*only in donated settlement land, but the rest are at a maximum of 10 beneficiaries

The decline of the number of projects is ascribed to the contestation between land acquisition and PLAS administrative support by the project officers. Since the same project officers who facilitated land acquisition were expected to still provide support to beneficiaries, more time was invested in the support of beneficiaries than to continuous land acquisition (Maleswene interview, 2012). The capacity to carry on with land acquisition was compromised.

When PLAS was initiated in the 2006/7 financial year, a total number of 48 projects were transferred and only 10 LRAD projects were transferred, yet 33 PLAS projects were transferred, 2 ESTA projects were transferred, 1 commonage and two settlement projects were transferred (DLA, 2007e). In total, 10 533ha were transferred, and this benefited 263 beneficiaries with

only 25% of them being women and 10.3% being youth. It should be noted that although the Gauteng PLRO transferred 33 PLAS projects, LRAD was declining because only 10 LRAD projects were transferred. This was a significant decline of LRAD projects compared to the previous year where 37 LRAD projects were transferred. This decline was measured at 72.9%. The decline of LRAD was due to increasing land prices as compared to the available LRAD grant (Sebaeng interview, 2013).

The introduction of PLAS contributed to the compromise of LRAD because officials of DRDLR chased a quicker land delivery model which does not require applicants to put an equity and/ or debt capital to prove own contribution, unlike LRAD (Maleswene interview, 2012). Table 4.4. shows a trend of a significant decline in LRAD projects in the first three years of the PLAS implementation. This is influenced by the reality that officials' performance is measured by the number of hectares they have transferred. As a result, a model which can yield such results will naturally find favour from project officers.

During the financial year 2007/8, Gauteng transferred only 7 LRAD projects which amounted to 352ha and benefited 40 beneficiaries. This is an average of 8ha per individual (DLA, 2008). However, a total number of 38 PLAS projects were transferred and this amounted to 9836ha and this benefited 136 individual beneficiaries which translate to an average of 73ha per beneficiary. A continuous decline in the number of LRAD projects coincided with an increase in the number of PLAS projects compared to the previous financial year. This suggests that the simplicity of acquiring land through PLAS received favour from officials to meet their targets quicker (Mogaswa interview, 2011).

During the financial year 2008/9, the province did not transfer any LRAD projects. This was despite the increase of LRAD grants from a scale of between R20 000 and R100 000 per individual beneficiary, to a scale of between R111 152 and R430 857. However, the Gauteng PLRO was the only province which did not transfer LRAD projects during that financial year. The performance of LRAD during that financial year confirms that the province abandoned LRAD even in areas where it was feasible to purchase land through LRAD. PLAS was a quicker method of transferring projects as compared to LRAD, where land could be lost while awaiting a bank loan approval to supplement the grant (Mogaswa interview, 2011).

In 2008/9, sixteen PLAS projects were transferred and yielded 2 554ha, which benefited 44 beneficiaries (DLA, 2009a). These beneficiaries were composed of 28 female beneficiaries and 9 youth. In that year, there was a significant decline in the number of hectares transferred, even under PLAS, i.e. there was a 74.02% decline. Project officers were occupied with the administration of the transferred properties and neglected the continuous purchase of the land. In addition, provinces were cautioned not to use PLAS as a replacement of LRAD (DLA, 2008d).

By the end of the 2009/10 financial year, the resuscitation of LRAD projects has been observed where LRAD project started to be processed again as compared to the previous year where no LRAD project was processed. About 7 LRAD projects were transferred by the end of the 2009/10 financial year (DRDLR, 2010a). Accordingly, the resurrection of LRAD projects were influenced by the PLAS audit which discovered a wide range of challenges that PLAS was faced with (Mamphodo interview, 2011). As a result, officials were cautioned to concentrate on LRAD projects rather than PLAS projects. However, about 15 PLAS projects had been transferred by the end of the 2009/10 financial year. It should be noted that re-emergence of LRAD did not outnumber the magnitude of PLAS. It is evident that the province was not coping in delivering land either through LRAD or PLAS. At that stage, there was a lot of public pressure as members of the public continued to lodge complaints about the slow pace of processing their applications. That resulted in a high number of ministerial and presidential enquiries by 2009 (Nchabeleng interview, 2013). The enquiries also contributed to the delivery pressure that project officers were already feeling. To appease applicants, beneficiaries were attached to the same land they had brought even when such applicants were under resourced to produce on the land.

4.2.4. The end of LRAD

LRAD was initiated in August 2001 with a grant that ranged between R20 000 and R100 000 per individual. The grant structure was later increased to between R111 000 and R430 000 per individual applicant, depending on their contributions. However, the significance of grant increase could not be confirmed to Gauteng Province. Table 4.5 shows a constant higher prevalence of PLAS than LRAD. Accordingly, if applicants could not prove their ability to raise own contribution, such an application would be converted to PLAS (Mphela interview, 2012). In

June 2010, the Director-General of the Department of Rural Development and Land Reform issued a circular indicating the termination of land acquisition through other models of land acquisition such as LRAD, Settlement and Production Land Acquisition Grant, Commonage, and any other grant from capital transfers. The only land acquisition model remaining was PLAS. The rationale behind the termination was that government had limited access to all land which was purchased for beneficiaries under LRAD as it is registered in the name of the beneficiaries as a private property. That was after government was criticized by the public for leaving tracts of land abandoned by the beneficiaries (Cousins, 2009).

By the end of 2010/11 financial year, Gauteng had showed the following performance:

Table 4.5. Gauteng land acquisition performance when LRAD was terminated in the 2010/11 financial year

Programme	No of projects	Ha	No of beneficiaries
LRAD	6	360	59
PLAS	8	1013	Unspecified
SPLAG	5	387	102
Commonage	1	1062	Unspecified

Table 4.6. Gauteng PLAS performance since inception (DLA, 2007e, DLA, 2008c, DRDLR, 2009a, DRDLR, 2010a, DRDLR, 2011, DRDLR, 2012, DRDLR, 2013a)

Item	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13
Number of PLAS Projects	33	38	16	13	13	21	14
Number of PLAS hectares	10533	9836	2554	1366	2603	3069	3204

Figure 4.2. Gauteng number of PLAS projects performance to date (DLA, 2007e, DLA, 2008c, DRDLR, 2009a, DRDLR, 2010a, DRDLR, 2011, DRDLR, 2012, DRDLR, 2013a)

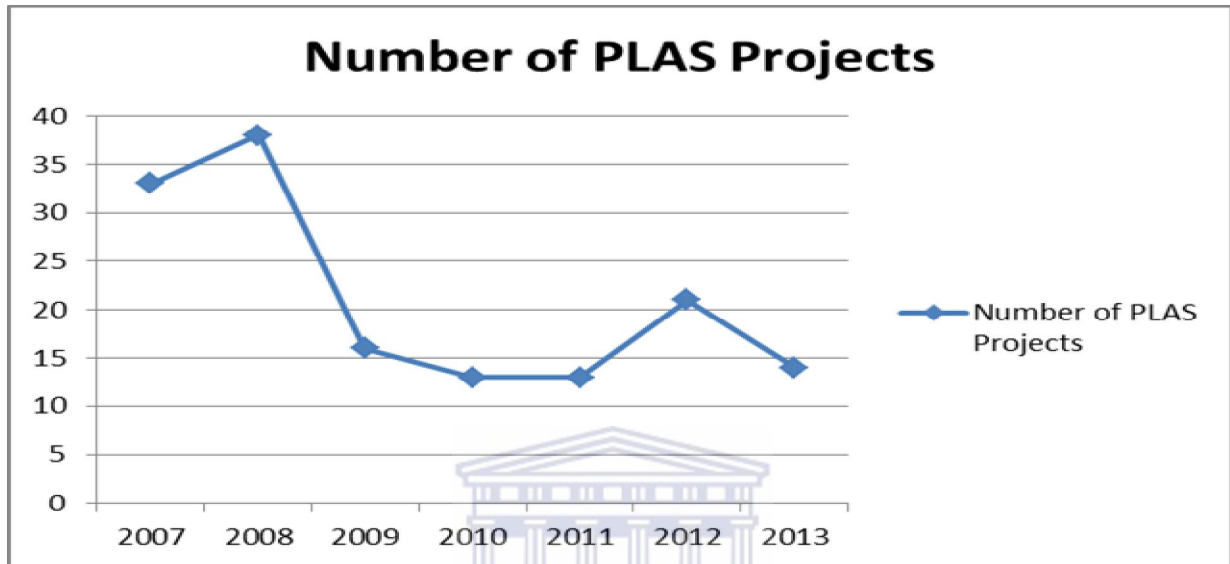


Figure 4.3. Gauteng number of PLAS hectares performance to date (DLA, 2007e, DLA, 2008c, DRDLR, 2009a, DRDLR, 2010a, DRDLR, 2011, DRDLR, 2012, DRDLR, 2013a)

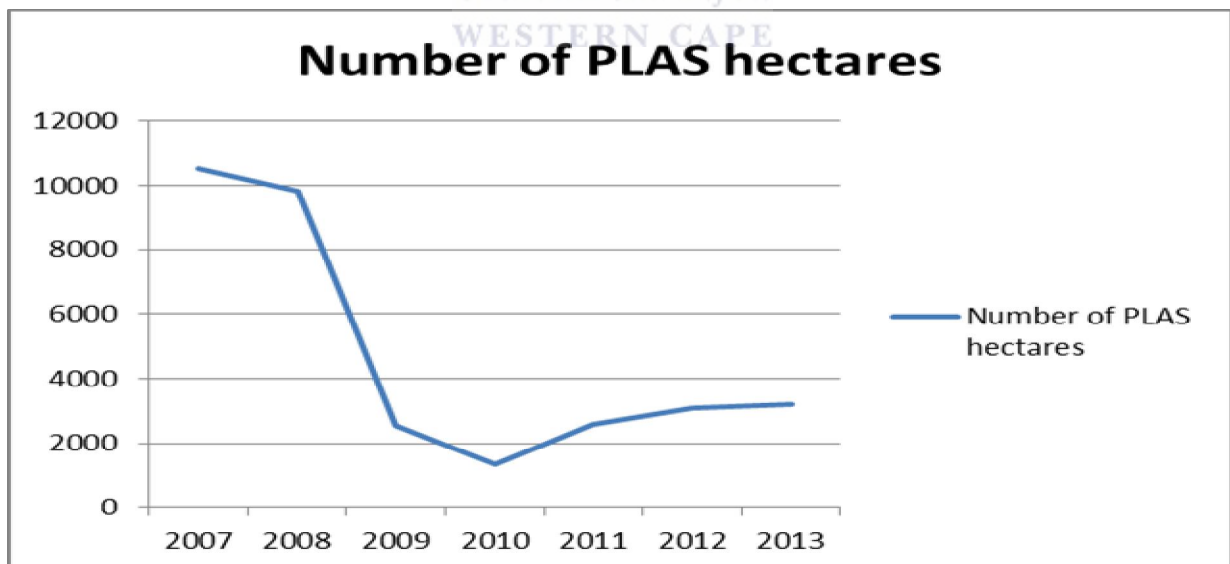


Table 4.6 and Figure 4.1 indicate the performance of PLAS since its inception in 2006/7 with a dramatic decline of the extent of land acquired during the third year of its implementation. The fourth year shows a total decline where the province acquired below 2000 hectares. This decline is also attributed to the departmental transition from being the Department of Land Affairs to the Department of Rural Development and Land Reform which brought some uncertainties to the land acquisition model (Naidoo interview, 2013). Although at a slow pace, there was growth in the number of hectares from 2010.

4.3. PLAS role players

PLAS was introduced when project approval processes were already established through SLAG and LRAD. As a result, the approval processes of PLAS were adapted to the LRAD approval process, except that a feasibility study had to be conducted to evaluate the agricultural potential of the land, and that an added responsibility to select beneficiaries was introduced. With LRAD, beneficiaries would identify the land they desired to have, and organised their institutional arrangement even without proper guidance from the officials, whereas in PLAS, beneficiaries are subjected to an interview by different stakeholders.

4.3.1. District Screening Committee (DSC)

As required by the LRAD policy, when a project is identified, an agricultural potential report must be compiled (DLA, 2001). The Gauteng PLRO liaised with officials from the Gauteng Department of Agriculture and Rural Development (GDARD) to view the farm and compile an assessment report which informs the DSC about the potential of the land. This structure is mandated to screen applications and recommend the release of the Planning Grant which is meant for conducting valuations, business plans, feasibility reports, subdivisions, legal entities, etc.

PLAS projects were approved based on the feasibility, which is a comprehensive agricultural potential report, which mapped potential commodities (Mamphodo interview, 2011). This is because, at an approval stage, no one has been awarded the property, so the production intentions

would not be known at that stage and it will be irrelevant to develop a business plan. There was a lot of flexibility on how projects are dealt with within this structure. Maleswene's interview (2012) notes inconsistency in attendance by members which resulted in limited follow-up on the progress of projects.

4.3.2. Beneficiary Selection Committee (BSC)

A similar model and process outlined on the LRAD policy document in establishing the DSC was used in establishing the BSC as guided by the PLAS manual. This forum was established at the district level, and the composition was the same as the DSC which include national departments, provincial departments and the local government represented by both district and local municipalities. Meetings of the BSC were scheduled on the same dates as the DSC to allow the forum to handle the two different mandates, i.e. the mandate to acquire property and the mandate to recommend beneficiaries to lease the land. These meetings were held at three different districts of the province. This study could not confirm the effectiveness of the BSC, but it has established that there were no distinct differences between its functions and the DSC functions.

It appears that the transition of PLAS from SLAG and LRAD was not managed to an extent of emphasizing the selection of beneficiaries. This was despite the PLAS objective of identifying suitable beneficiaries to lease the property. Most of the properties purchased under PLAS were identified by the applicants and leased to the same applicants. The BSC's responsibility was therefore to endorse the same applicants who identified the property (Nkosi's interview, 2013). However, the BSC was consistent with the recommendation of beneficiaries not exceeding ten within one project as advised by the Provincial Grant Approval Committee (PGAC).

This has, in most cases, compromised the selection processes. Beneficiaries would be allocated land based on their efforts in identifying land, rather than on their ability and potential to produce. This study confirmed significant mismatching between beneficiaries and the land they are leasing. The allocation of beneficiaries to properties followed the same pattern observed in both SLAG and LRAD where land was allocated to those who had identified it.

4.3.3. Provincial Grant Approval Committee (PGAC)

This forum is provincially based and it is chaired by a Chief Director from either the PLRO or GDARD. Projects were presented at this forum when they had completed all planning activities such as presentation to the DSC, valuation, Business Plan and/or Feasibility studies, formation of legal entity, etc. This forum takes a final decision on the purchase of the property but not its allocation. The composition of the forum includes government departments, the Land Bank, the National Marketing Council (NMC), the Agricultural Research Council (ARC) and the local municipalities. All purchased properties were subjected to this committee for final land acquisition approval. When LRAD projects were adjudicated, the PGAC's main concern was based on the affordability status of the beneficiaries if the loan was required, the number of beneficiaries on the project, and the viability of the project.

Given the conflicts around the number of beneficiaries in SLAG projects, the PGAC resolved that a maximum number of beneficiaries per project should be ten (Mogaswa interview, 2011). This was done with the idea of avoiding another crowded model experienced during SLAG implementation. Even though this decision was not guided by a policy framework, the PGAC was concerned that if the number of beneficiaries per project were not controlled, similar experiences of SLAG could be repeated. This decision was also implemented in PLAS projects where BSCs were cautioned about the expected maximum number of beneficiaries. The PGAC promoted the issue of a maximum of ten members by approving projects on condition that the number of beneficiaries would be reduced to at least ten, in case there were more. As a result all district structures absorbed that as a mini-policy of the PGAC.

4.3.4. Alignment of PLAS to LRAD processes

PLAS was aligned to the existing LRAD approval processes even though PLAS proposed a different approach. According to the second version of the PLAS implementation manual, the process begins with the needs analysis and project identification by the state. The two identified tools include the Area Based Plans (ABP), which should assist in identifying possible areas for

land reform and Integrated Development Plans (IDP), which identify municipal development plans of the area. The land would then be acquired followed by the proper project planning and development plans. The latter would include the selection of beneficiaries who will sign a lease agreement for a trial period of three years (DLA, 2007a:22). In the event where the lessee proves to be a competent farmer, then the property would be transferred to the beneficiary through LRAD.

In that case, the department will develop a measuring tool which will assist to measure the beneficiaries' state of readiness. "Once a particular lease period has expired and the selected beneficiaries have demonstrated their farming capabilities after the Department of Agriculture has assessed their performance, the beneficiaries will be given the opportunity to exercise the option to purchase. The DLA at this stage will consider applicable grants as per the LRAD grant system, lease fees paid and other discounts before disposing of the land to the beneficiaries" (DLA, 2006a:19). It is assumed that the tool will be able to determine if there is any improvement on production from occupation to the time of assessment. In case the beneficiary satisfies this process, then the land will be transferred to the farmers through LRAD with the farmers' investments on the land and lease amount considered as own contributions.

The sale price of the land would have been fixed at acquisition by the DLA. A further discount of 30% would be offered to all qualifying beneficiaries. If grants and the discounts are still not enough to reach the purchase price, then beneficiaries should be assisted to obtain finance from commercial financial institutions and Development financial institutions such as the Land Bank (DLA, 2006a:12). This was not achieved as no PLAS farm was sold.

4.4. Conclusions

Considering the fact that the provinces' performance is measured by national office on the basis of the number of hectares transferred, it appears that in Gauteng Province, the introduction of PLAS in 2006 brought a significant change in land delivery. In the 2006 and 2007 periods, the province acquired more hectares through PLAS than all other redistribution programmes combined. This was despite national office's call that PLAS should not be used to replace

LRAD. This proves that the province embraced this model of land acquisition from the beginning of its implementation. The DSC continued to recommend projects for land purchase while PGAC remained the approval body (Manaka's interview, 2011).

However, this performance was not sustained because in the 2008/9 financial year, there was a significant decline in the land acquired through PLAS. The high land delivery through PLAS was sustained for only two consecutive years. The decline is attributed to a number of factors which include the audit report which discovered abandoned PLAS projects, the DLA assuming the administrative role of managing beneficiaries' contracts and the dual responsibility of project officers to acquire and manage projects. The rapid purchasing in the first two years is believed to have influenced land prices as there were a number of properties which were valued but the department did not agree on the selling price (Mahlangu's interview, 2013). Challenges such as the lack of production capital, lack of training and capacity building, lack of project and business management skills, etc. continued to confront the new breed of land reform.

It is in PLAS where the institutional arrangements of the projects were such that leases could be entered into with a limited number of beneficiaries, unlike in SLAG and LRAD where grants influenced the number of participants per project. In Gauteng there were projects where land was leased to individuals, while other projects remained group-based projects. A 'rent a crowd' model was the normal practice in SLAG and LRAD. In this case, properties were leased to between an individual to a group of a maximum of 10 members organized into a legal entity. The number of beneficiaries was determined by the PGAC without any national policy framework guiding the matter.

Projects were adapted to the existing approval structures such as DSC and PGAC with the addition of the BSC. These structures were established to assess redistribution applications in the districts against prioritisation criteria and made recommendations towards the prioritisation, feasibility assessments and possible approval of such projects. These structures were meant to ensure cooperative governance regarding land redistribution, as well as the joint management of projects by both government and non-governmental organisations. This adaptation resulted in the same institutions adjudicating LRAD to continue on PLAS projects. Decisions such as the

maximum number of beneficiaries in a project continued to be implemented as agreed in LRAD projects, even though the dynamics were different.



CHAPTER 5: CASE STUDIES

5.1. Introduction

The research and case studies focus on the three main objectives of PLAS. Firstly, this chapter assesses the manner in which each project was established. This includes investigation of the process of identifying and selection of beneficiaries of the project. The assessment further analyzes the socio-economic status of the beneficiaries and their level of involvement in the daily activities of the project. Considering the group dynamics experienced by PLAS predecessors such as SLAG and LRAD, this chapter investigates the cohesive arrangements between the members and how that arrangement improved on the previous redistribution experiences.

Secondly, this chapter investigates the manner in which the land was acquired. The PLAS strategy requires that land should be acquired in a strategically located area, and this chapter investigates the manner in which the land was identified including the key players in the process. The report includes a comparison with LRAD, which was the contesting land acquisition model, and considers the differences and similarities between the two. The report also assesses how LRAD has influenced and/or prejudiced decisions taken to implement PLAS projects. Additionally, the report includes the efforts shown by the applicants throughout the whole process of acquisition, including the role of other role players within the process.

Thirdly, this chapter reviews the planning activities of the project and how beneficiaries ventured into the productive land uses since occupation. This includes an investigation of the manner in which the land is utilized and the commodities produced and how that differed from the production of the previous land owner.

Finally, the report assesses the business part of the project which includes project management, lease agreement, marketing of the produce, training and extension services provided by other role players.

5.2. Lutendo Cooperative

Items	Description
Project name	Lutendo Cooperative
Property description	Portion 30 (a Portion of Portion 17) of the Farm Elandsfontein 277 IQ
Number of hectares	146. 6748 hectares
Number of beneficiaries	10
Purchase price	R2 100 000

5.2.1. Background

Lutendo Cooperative is a project located 30km south-west of Randfontein, which is about 40km from Johannesburg and falls under the Randfontein Municipality. The project started as a non-profit organization (NPO) and was registered as Lutendo Community Project. The idea was initiated by the Daba family, whose breadwinner had been retrenched in 1992. Their intention was to acquire land which will assist them with an agricultural business for their livelihood. After retrenchment the couple started a small knitting business which they later abandoned and moved to Botswana to pursue employment and business opportunities. The family returned to South Africa and stayed in Limpopo Province, where they are originally from, and later relocated to Annadale which is an informal settlement in Gauteng Province. With their passion for agricultural production, and the pressure of financial instability, the couple approached the local Ward Councilor for an agricultural piece of land owned by the City of Johannesburg Metro (CJM). The CJM makes available pieces of land for housing and other developments (Manaka interview, 2011). Some municipalities benefited from the Land Reform Commonage Programme (Mogaswa interview, 2011). The Ward Councilor arranged with the CJM, but they were advised to mobilize other people as government preferred to help more people than just two individuals (Daba interview, 2010a). The couple recruited members of their community. By 2004, the group

grew to 368 members who ultimately registered as Lutendo Community Project. CJM released its 90ha agricultural land without any lease contract. The couple was allocated 3 hectares where they produced cash crops during summer, targeting informal markets (Daba interview, 2010a).

By mid-2005 the group started experiencing challenges. There was a shortage of water after their borehole ran dry. The Gauteng Department of Agriculture and Rural Development (GDARD) intervened by drilling and providing another borehole. The borehole did not last long before it ran dry as well. Annadale generally has a shortage of underground water (Tlale interview, 2010). Although CJM approached Rand Water to supply water through the use of tankers, the plan was not sustainable (Daba interview, 2010a). The constant shortage of water started discouraging other members.

There were rumours that CJM intended to take back the land in favour of a low cost housing project. Although that was not confirmed, it added salt to the wound coupled with internal conflicts between members (Daba interview, 2010b). CJM had mobilized a tractor and production inputs from BP South Africa. The distribution, management and usage of those resources contributed to conflicts and disruptions and ultimately led to the collapse of the project. The project was abandoned and the couple started looking for alternative land.

5.2.2. Land acquisition process

After withdrawing from Lutendo Community Project, the couple attended a farmers' information session meeting convened by GDARD, and they learned about land reform (Daba interview, 2010a). GDARD conducted road shows to inform communities about land reform programmes (Tlale interview, 2010). The couple accessed application forms from GDARD. DRDLR had an agreement with GDARD that application forms would be accessed from their Regional Offices because DRDLR only operated from one central provincial office (Mogaswa interview, 2011). Though the couple had not identified a property they later identified a 5 hectares plot which they were discouraged to pursue because government does not purchase small plots, but farms. Discussions in both DSC and PGAC discouraged the acquisition of plots due to their high cost compared to their limited return in investment, in terms of hectares (Manaka interview, 2011).

The couple later identified two properties through the assistance of a project officer from DRDLR. Project Officers had established relationships with estate agents particularly if they had previous successful transactions (Maleswene interview, 2012). It took them a period of more than eight months to identify Portion 30 (a Portion of Portion 17) of the Farm Elandsfontein 277 IQ which is 146 hectares in size. The couple were not involved in the price negotiation processes. Beneficiaries are only responsible for land identification (Mogaswa interview, 2011).

5.2.3. Lease contract management

Lutendo Cooperative entered into a lease agreement with DRDLR in December 2007 (DLA, 2007b). One of the obligations on the contract was to pay 6% of the purchase price annually for the duration of the contract (DLA, 2007b:5). This property was purchased at R2.1 million and the expected lease amount was R126 000 per annum. The lease agreement expired in October 2010 and it was renewed for another three years, despite the cooperative's failure to pay the lease. This was despite section 8 of the lease agreement which states: "Should the Lessee fail to pay the rental, interest shall be payable at the current interest rate per annum as determined by the Minister of Finance from time to time, in terms of section 80 of the Public Finance Management Act, 1999 (Act 1 of 1999). A certificate by the accounting section of the LESSOR shall be prima facie proof of such interest rate" (DLA, 2007b:6).

This was after failed attempts by DRDLR to recover that amount (Maponya interview, 2010). DRDLR wrote letters of demand to all defaulting farmers, and that process was withdrawn to give way to the Recapitalization and Development Programme (RADP). The view of DRDLR is that beneficiaries would have to explain their reasons for non-payment after government had supported them through the RADP (Mamphodo interview, 2011). The inability to raise funds was also largely attributed to the lease's tenure period of three years (Daba interview, 2010a). There was a concern that the three-year lease agreement did not assist them when they looked for production capital from the commercial and development banks because of uncertainty of renewal of the contract (Mamphodo interview, 2011).

5.2.4. Beneficiary selection and membership

Given their past experience, the couple resorted to mobilizing their family members and close relatives. Lutendo Cooperative is a two-household project with 10 members. The second household is a close relative of the Daba couple. Family members and relatives are easy to work with (Daba interview, 2010b). Apart from this project, they have a good history of working together regarding family burial societies, religious activities, and cultural activities (Daba interview, 2010b). As a result, they built confidence on each other.

Lutendo Cooperative is composed of ten members of different ages. Three of the members are aged between 45 and 60 years and the other seven members are aged between 20 and 35 years and one member is a pensioner. The majority of the members are youth, but their involvement in the project is limited. Three of the youth are employed, and partially participate in project activities. The other three are students who only attend to project matters after school, during weekends, and school holidays (Daba interview, 2010a).

In terms of their educational status, three of the members possesses education within a scale of between grade 1 and grade 7, and five members possesses an educational level between grade 8 to 12, and only two are at tertiary level. Four members have an income of less than R500 per month, two members have a monthly income of between R501 and R1000, and four members have an income of between R1001 and R2000. Their income is derived from formal jobs, business and a pension fund. They use the same funds to cover their project costs. The group is predominantly poor as the majority of members are not attached to any formal income source.

Some theorists like Borras (2003:371) indicates that land reform in many developing countries have shown that land is not necessarily distributed to people who could make productive use of the land or who were the most deserving on poverty grounds but rather to the politically powerful and well connected. However, the case of Lutendo Cooperatives proves that the poor are still accommodated within the redistribution of land. The beneficiaries of the project are the

ones who provide labour for all farm activities. However, as the need may arise, they intend to employ other important skills and labourers.

5.2.5. Project ownership and management

The group was registered as Lutendo Cooperatives with all members sharing an equal number of shares. This is despite the fact that other members were mobilized to gain access to the programme. As indicated by Mayson (2002:3), a broader understanding of collective and other cooperative ways in which farmers come together in groups to enhance their abilities in farming, was found to be necessary. Under the redistribution programme, beneficiaries choose a type of legal entity (Mogaswa interview, 2011). The cooperative has an established committee which is not functional (Daba interview, 2010b). This suggests that the establishment of the committee was done only to satisfy approval processes as operations are controlled by the founders of the project.

Only five members are actively involved with the daily activities of the project. Others such as learners and students, and those who have permanent employment visit the project during weekends and school holidays. Members who live on the farm on a full time basis, all work together as a team. There are no special areas of production where each one is allocated. (Daba interview, 2010a).

5.2.6. Land use production and management

Lutendo Cooperative uses the property for both livestock and summer crop production. The farm was previously used for summer crop production such as maize and sunflowers. However, Lutendo has a limited understanding of the sunflower business (Daba interview, 2010b). Their major maize production was in 2009 when 132 hectares of maize were planted with the assistance of the neighbouring farmer. Mechanization for planting was provided by a neighbouring farmer.

The Cooperative is also rearing twenty-five beef cattle purchased through the RADP. The Provincial Shared Services Centre: Gauteng (PSSC: GP) commissioned a needs analysis assessment on PLAS farms and production inputs was on top of the list (DRDLR, 2010c). The exercise resulted in the release of R170 000 to selected active PLAS projects in Gauteng. The uniformity of the grant was to cover all projects within a limited budget for production (Manaka interview, 2011).

5.2.7. Marketing

The members of the cooperative send their maize to a miller which is 30km from the farm, and their cash crops are sold at an informal market. There are no formal contracts signed with any markets, although there are letters of intent from two agents (Daba interview, 2010a). These two potential markets are located at a radius of 30 km from the farm. Although the cooperative does not have its own transport, the members target hawkers in the nearby town (Daba interview, 2010a).

5.2.8. Training and extension services

Two of the beneficiaries have been trained during their tenure at the municipal land. Their training includes land preparation, general farm management, crop production, harvesting, marketing, irrigation, tractor management, soil analysis, business management, bookkeeping, and pest control. Some of these training sessions have been facilitated by Gauteng Propeller Enterprise (GPE). GDARD exposed farmers to different role players for support (Manaka interview, 2011).

The cooperative relies on GDARD for extension services. Extension officers are expected to advise on several production activities (Pakedi interview, 2010). In addition, the West Rand District Municipality (WDM) and the Randfontein Local Municipality also randomly visit the project. The project has also affiliated to the West Rand District Municipality Farmers' Forum (WRDMFF) where they receive information on government intervention programmes. None of

the members of the cooperative are linked to a study group or a commodity association. The cooperative is largely dependent on extension services from GDARD.

5.2.9. Conclusion

Both Lutendo Community Project and Lutendo Cooperatives were influenced by government's ideology to assist people as groups. In the first entity, the Daba families have been frustrated by including people with contrasting missions. However, the trend continued even in the current project. The vision of the Daba families continued to be shared with others even when it was not necessary to do so. When their application was sent to government, it was an LRAD application which later became a PLAS project. LRAD promoted the idea of group applications to cover the land purchase price. The dual implementation of LRAD and PLAS resulted in LRAD influencing the manner in which PLAS was handled. There was no system intended to prevent switching of projects from LRAD to PLAS. In this case, the group model observed in SLAG and LRAD was found recurring even in the PLAS projects.

5.3. Tenehi Project cc

Items	Description
Project name	Tenehi Project Close Corporation
Property description	Portion 43, 44 and 45 of the Farm Hillside 170IQ
Number of hectares	25.6959 hectares
Number of beneficiaries	5
Purchase price	R1 500 000

5.3.1. Background

The Tenehi project is located in the Tarlton area which is about 30km from Krugersdorp, Mogale City Municipality. The project was initiated by a woman who originated from Lesotho, who was inspired after watching a television programme in which government made a presentation regarding land reform programmes (Tenehi interview, 2010a). Her dream was to own a farm and to feed the nation. She consulted with the GDARD local office and was advised to look for additional members to increase the amount of the LRAD grant. The DSC would not recommend individual applications unless the applicant proves the ability to raise funds to supplement the grant (Mogaswa interview, 2011). Finally the group was composed of four women and one man, with three members of the group related to each other.

Two members are from Lesotho and they have schooled together and they are related. The third member was met when the two relocated to Soweto, and the fourth member is from the Free State (Tenehi interview, 2010a). This group was composed of members who did not know each other too well. Some started to know each other because of this project endeavour.

5.3.2. Social dominance, inequality and power

Though the project had five members there is no evidence of formal meetings where beneficiaries engaged on project matters (Tenehi interview, 2010a). However, prior to settlement on the land, there was one dominant individual who was central to the formation of the group. The behavior of this beneficiary ultimately divided the group. As indicated by Steward (2009:67) social dominance within groups reinforces inequalities, and once these ideologies become self-truths in society, it becomes easier for people to reinforce stereotypes.

After settlement when three members moved to the farm, the dominant beneficiary opted to visit the farm on an *ad hoc* basis. The fifth beneficiary does not even know where the farm is because by the time it was transferred, she had already grappled with the dominant member and sulked (Tenehi interview, 2010b). The project was ultimately left with two beneficiaries who are related to the dominant member, while the dominant member continues to visit the farm occasionally.

5.3.3. Land identification and acquisition

The process of land identification was initiated through contacts with estate agents and a 1.8 ha plot was initially identified, but was not recommended by the DSC. The DSC advised them to look for alternative land because a 1.8 ha plot was considered too small for government to purchase (DLA, 2008a). However, there is no standard guideline in relation to the magnitude of the land which should be purchased in land reform (Mogaswa interview, 2011). Officials were cautioned by the PGAC to balance the state investment with the number of hectares acquired (Mogaswa interview, 2011).

Beneficiaries ultimately identified Portion 43, 44 and 45 of the Farm Hillside 170IQ, through the assistance of a government project officer. Project officers have more access to properties on sale, particularly from estate agents they worked with in previous transaction (Maleswene interview, 2011). Though the application was lodged as an LRAD project; it was later switched to PLAS. The applicants could not reach the purchase price through the grant, and had no means to raise the deficit (Mogaswa interview, 2011). The property was purchased at a valued amount of R1.5 million (DLA, 2008b). This suggests the reason for switching the application, from LRAD to PLAS which does not require applicants to mobilize a loan component. Officials considered any quick model which will result in land purchase due to pressure on delivering land, and PLAS proved to be convenient (Mogaswa interview, 2011).

5.3.4. Lease agreement

Tenehi Project signed a three years lease contract in February 2009. Even though they had not paid a rent of R72 000 per annum since occupation, the beneficiaries renewed the lease. This was despite section 8 of the lease agreement which states “Should the Lessee fail to pay the rental, interest shall be payable at the current interest rate per annum as determined by the Minister of Finance from time to time, in terms of section 80 of the Public Finance Management Act, 1999 (Act 1 of 1999). A certificate by the accounting section of the LESSOR shall be prima facie proof of such interest rate.” (DLA, 2007c). Though PLAS policy indicates that the property is

used on lease agreement, it does not provide for non-renewal on the basis of defaulted payments. Beneficiaries consider it impossible to service the lease contract without production (Tenehi interview, 2010b).

It has been difficult for government to enforce repayments when there is limited to no production on PLAS farms (Mogaswa interview, 2011). Beneficiaries expect the land owner to fix all infrastructures, such as fencing, water supply, hydroponic tunnels, etc. This is in line with the PLAS policy which requires the state to make the farm farmable before a lessee occupies the farm (DLA, 2007c). Even though the first three years of occupation are characterized by non-production, beneficiaries want the three-year lease period to be extended to attract investors (Tenehi interview, 2010a).

5.3.5. Project ownership and management

Since only two beneficiaries remained on the farm, operational decisions are taken by them. The two members who stay on the farm work randomly. However, administrative activities are done by the founder of the project (Tenehi interview, 2010b). The second beneficiary has experience in construction, and uses such skills for secondary income. The fact that there is no constant production on the farm creates the constant unavailability of the second beneficiary. The unavailability of other members is ascribed, amongst others, to the lack of revenue. Lack of revenue on the farm compelled beneficiaries to survive through external means, though not enough to operate a farming enterprise. It is argued by McMillan *et al* (1992:80) that successful settlements depend on the cumulative results of decisions made by the settled, and those decisions result from their perception of risk opportunities and constraints and the extent to which their potential interests are promoted.

5.3.6. Land use planning and management

Through the assistance of GDARD in 2009, the project benefited from CASP by receiving three hydroponic tunnels and inputs of the first production cycle to the value of R900 000. Within these tunnels, they planted green peppers and tomatoes. In addition to crops, the Tenehi project is

rearing pigs as a secondary production option (Tenehi interview, 2010b). However, the property was mainly used for goat milk production as primary and secondary production included crops, piggery and pastures (Tenehi interview, 2010a).

The project experienced extreme water shortages after the breaking of the borehole. As a result, they sold their pigs prematurely. The crop section was also highly affected because the planted commodities were highly dependent on water to survive. This led to an extreme disaster because over 90% of their crops died, resulting in a discontinuation of the tunnel production. This incident occurred when they had harvested and tested the market only twice, and they had already secured a few orders from the informal market. Both green pepper and tomato production was affected by this disaster. During the entire production period, it was only beneficiaries who provided labour.

5.3.7. Marketing

Since the primary production was intensive crop production, the marketing strategy targeted informal markets as a way of testing the market, but navigating formal contracts. There were informal markets in Krugersdorp and Magaliesburg where they sold some of the produce. The informal markets included workers of the surrounding farms whose workers were mostly placing orders of the produce (Tenehi interview, 2010b). This included farm dwellers of the surrounding farms. However, the strategy was compromised by the total collapse of production two weeks after the first harvest. At the time, an arrangement was made to supply a supermarket. Although negotiations were at an advanced stage, there was no formal contract entered with this market except verbal agreements (Tenehi interview, 2010a).

5.3.8. Stakeholders' engagement

The project enjoyed support mainly from DRDLR, GDARD, ARC and Mogale City Local Municipality. The DRDLR has been assisting the project through a Recapitalization and Development grant to the value of R170 000 by 2010. The fund is focused on resolving the water supply predicament. The project also benefited in 2009 from the infrastructural grant from the

DRDLR and the fund was used for repairing the roof of the piggery house and for the fencing of the project.

GDARD supplied the project with three hydroponic tunnels through CASP. The supply of this infrastructure included the production inputs for the first cycle of production. GDARD continued to provide extension services to the project. This included taking farmers to the farmers' days and other related farmers' information sessions. GDARD also assisted in providing training to the project, particularly production related training (Tlale interview, 2010). Additionally, GDARD supplied the project with a poultry infrastructure with a capacity to produce 1000 birds. This structure has never been used since it was erected (Tenehi interview, 2010b). The ARC provided similar advisory services as GDARD because they provided training to the project. The ARC's training was more specific as it was directed at crop production in hydroponics. Meanwhile, Mogale City Municipality played a major role in supplying water to the project through their tankers (Maimane interview, 2011). This supply was however, meant mainly for human consumption and was not enough to sustain production. The supply of water to the farm by the municipality could not be sustainable due to the high demand of such services in other areas, and the municipality is not well resourced (Maimane interview, 2011).

5.3.9. Infrastructure and mechanization

In terms of the infrastructure, the property is located 10km from the tarred road which connects the towns of Krugersdorp and Magaliesburg. The gravel road that leads to the project is well maintained. This benefit is due to the farm's closeness to the Early Bird Farm which is one of the largest poultry producers. Internally the farm has a house, storage facility and a piggery structure. In addition, the project benefited from CASP because they received three hydroponic tunnels and one broiler structure with a capacity to accommodate 1000 birds. Moreover, the project also benefited from the PLAS Infrastructural Grant of R45000 in 2008, which assisted in repairing the roof of the piggery structure and provided for the maintenance of the border fence.

The farm has eight boreholes, but the water table is very low, and there is generally less underground water in the area (Mogaswa interview, 2011). Although the project has electricity,

the cost of maintenance is high. The project does not have any mechanical implements. Their production is very labour- intensive, i.e. crops, piggery and poultry.

5.3.10. Conclusion

The Tenehi project is driven by an individual who has been struggling to bring the best out of their allocated farm. This beneficiary initiated the project and continued to pursue the idea, despite the withdrawal of other members. However, their absence stalled negotiations which required the involvement of all members as per the lease agreement. In this case, there is a recurrence of the principles of the SLAG and LRAD models, where groups were formed to satisfy approval processes, yet were problematic in business matters.

The situation is influenced by the concurrent implementation of both PLAS and LRAD without a clear distinction between the two. The policy documents present two different models of beneficiary selection - while LRAD is open-ended, PLAS is controlled through the BSC. This confirms tendencies of applications being switched from LRAD to PLAS because officials should meet delivery targets using either of the two delivery models. The purchase of this land through PLAS saved beneficiaries from the process of applying for loans from the bank to supplement the LRAD grant.

This project enjoyed support from the national, provincial, and local government, as well as the public entities. However, this support is not within an integrated plan which addresses the immediate challenges of the project. This support is viewed in this study as individualistic interventions which ignore important elements of intervention. Water supply could have been prioritized before the construction of broiler houses.

PLAS policy dictates that land is identified, acquired and warehoused by the state, without any beneficiary attached with the view that the property would first be equipped with relevant infrastructures. When this process is compromised, beneficiaries are confronted with dual financial needs, i.e. operations and development. The policy does not indicate the developmental

responsibilities of the land owner after the property has been allocated. This study views this preparatory inadequacy as a recipe for setting up beneficiaries for failure.

5.4. Setholoa Project cc

Items	Description
Project name	Setholoa Close Corporation
Property description	Portion 49 (Portion of Portion 2) of the Farm Weltevreden 517 JQ
Number of hectares	23. 4494 hectares
Number of beneficiaries	2
Purchase price	R4 000 000

5.4.1. Background

The Setholoa project was initiated by two women with the intention to produce broilers in Portion 49 (Portion of Portion 2) of the Farm Weltevreden 517 JQ farm in the Hekpoort area, Mogale City Municipality. The plan to farm started in 2006 when Nthabiseng Thupana wanted to start her own farming business. This beneficiary had been employed by the Gauteng Department of Education for eight years, three years in finance and five years in human resources. She resigned in 2007 to pursue her business aspirations. The second beneficiary was Nosipho who was an unemployed housewife who depended on her husband for their livelihood.

The beneficiary gathered from other farmers that government does not assist individuals in land acquisition, but groups of people who intend to work together and better their lives. Although government does not have a policy which denies individuals assistance, the manner in which

SLAG and LRAD funding was structured perpetuated this public view (Manaka interview, 2011).

Although the main beneficiary preferred to farm alone, she partnered with Nosipho who is a spouse of her former colleague and they registered a Close Cooperation (Thupana interview, 2010a). Although government prescribed a Communal Property Association (CPA) as a preferred legal entity, particularly on restitution projects, there is flexibility in redistribution matters (Mogaswa interview, 2011).

The beneficiaries occupied Portion 49 (Portion of Portion 2) of the Farm Weltevreden 517 JQ in 2007 immediately after the land was purchased. It is required that beneficiaries move to the farm immediately after registration to avoid vandalism (Mogaswa interview, 2011). Nosipho was pregnant when they occupied the farm (Thupana interview, 2010a). She left the farm for maternity purposes two months later and had not returned. They have known each other for less than two years. There is no prescription of how long beneficiaries should know each other or for what period they had been doing business together (Maleswene interview, 2012).

5.4.2. Land identification and acquisition

Nthabiseng had been living in a 5.5ha plot she and her husband purchased in 2007. Unlike under LRAD where a private property was considered as own contribution when linked to a new property, PLAS does not provide such benefits (Mogaswa interview, 2011). Nthabiseng approached estate agents who claimed to be a link to government for land purchases and they promised to assist with her application. There have been cases of scams where individuals and companies claimed to assist applicants with land reform applications and individuals lose money in the process and ultimately get no land (Manaka interview, 2011). Nthabiseng was saved by a departmental official whom she approached after she had paid admin fees to the estate agents.

Nthabiseng was informed of the sale of Portion 49 (portion of portion 2) of the farm Weltevreden 517 JQ when she visited GDARD for information (Thupana interview, 2010a). She was desperately looking for a farm. She even voluntarily participated in the price negotiations of the farm. The asking price of the property was R6 500 000, but it was purchased for R4 000 000.

Some beneficiaries are proactive to the extent that they are involved in every phase of the application (Mogaswa interview, 2011).

5.4.3. Lease contract management

The property was purchased for R4 000 000 and the lessee was expected to pay an annual lease amount of R240 000 per annum. Even though the business ran for two years, the beneficiary claims not to have made any profit which could allow her to service her lease agreement. There are no systems which assist government to track beneficiaries' business income and expenditure (Maponya interview, 2010).

Although the first lease agreement was not fulfilled, it was renewed. That was despite section 8 of the lease agreement which states, "Should the Lessee fail to pay the rental, interest shall be payable at the current interest rate per annum as determined by the Minister of Finance from time to time, in terms of section 80 of the Public Finance Management Act, 1999 (Act 1 of 1999). A certificate by the accounting section of the LESSOR shall be prima facie proof of such interest rate." (DLA, 2007d). There is no clause in the new agreement which addresses what was not paid in the previous agreement. Accordingly PLAS farmers are afforded a second chance with a boost of the Recapitalization and Development Programme (Mogaswa interview, 2011). This renewal suggests that the three years' debt of R720 000 is nullified, and the project will be recapitalized. The project officer also sympathized with beneficiaries on the lack of production, but was encouraged when RDP was introduced (Keameditse interview, 2013).

The beneficiary had preferred to purchase the property so that she could secure production capital through using land as collateral. However, the ownership of the land remains with the state. This aspiration suggests unwillingness to pay the rent and government investment through the RADP endorses the view that government does not want to release the land (Thupana interview, 2010b).

5.4.4. Project management, administration and operations

The project management structure identifies Nthabiseng as a Director of the business, with Nosipho as a Financial Manager. Other members included a Farm Manager and two Supervisors who were alternating between day and night shifts, and eleven workers. The workers were inherited from the previous owner as the property was sold as a going concern. All employees had been farm workers for over five years and they are familiar with operations. The salaries of the staff ranged between R950 and R4 000 per month. The project also hosted Poultry Science students from the University of North West for practical experience.

The project has been reliant on assistance from Nthabiseng's husband who runs a consulting and taxi business. This arrangement put a strain on their household budget and it was no longer feasible to continue using the household budget for the support of the business (Thupana interview, 2010a). Her husband ultimately withdrew support to the project (Thupana interview, 2010a).

The project was receiving chicks and production inputs such as feeds from their strategic partner, Sangiro Group. Beneficiaries incurred limited costs towards production inputs. The beneficiaries' contractual obligation included preparation of poultry houses and maintenance of the equipment. Government was not involved in the negotiations of the contractual terms and benefits (Mogaswa interview, 2011).

5.4.5. Relational dynamics

The cooperation between the two beneficiaries was short-lived as one left the farm for maternity purposes and never returned. Unfortunately, there is no established process aimed at adjudicating differences between beneficiaries unlike in CPAs where government is compelled to intervene (Mogaswa interview, 2011). Manenzhe (2007:29) also identified lack of post-settlement support as a critical issue which may undermine the development goal of land reform. According to Manenzhe (2007:29) a comprehensive integrated programme of land reform is imperative to realize the benefits of land reform objectives. The plan can also help to protect beneficiaries from social dominance by other members.

5.4.6. Land use planning and production

Portion 49 (Portion of Portion 2) of the Farm Weltevreden 517 JQ is a 24 ha unit with over 85% of the land categorized as rocky and not suitable for any crop production. The previous owner used the land specifically for broiler production, which is what the beneficiaries continued with. The property has six poultry houses, each having a capacity to accommodate 17 000 birds. When beneficiaries occupied the farm, they carried over the contract which was in place for the previous owner and they serviced the contract for two years at an average production of 102 000 birds every two weeks. There should have been a risk assessment conducted before the contract was inherited from the previous owner (Thupana interview, 2010b).

After the collapse of the poultry business, which she decided to shut down with the hope of finding a better poultry market deal, the beneficiary explored intensive sheep production. The collapse of that business resulted in the retrenchment of all employees. The retrenchment conflicted with the objectives of the land reform programme, namely production and job creation. This confirms the argument by Anseeuw and Mathebula (2008) that the land reform programme has caused an 89.5% decrease in production as well as many job losses.

5.4.7. Training and extension services

There is no formal training received by beneficiaries on broiler production (Thupana interview, 2010a). The remaining beneficiary affiliated to a study group which deals with poultry management. The study group invites specialists to advise on feeding, medication, diseases, latest technologies, etc. The beneficiary also benefited from Farm Management training offered by the Agricultural Research Council. The workers were mostly trained within the farm at proactive and reactive sessions provided by the strategic partner. Though GDARD consistently visited the project, their extension services were limited because most of the production information was prescribed and acquired from Sangiro (Thupana interview, 2010a).

5.4.8. Marketing

The contract with the Sangiro group was characterized by several challenges, and the collapse in production was ascribed to the same contract (Thupana interview, 2010b). It is alleged that the contract protected the Sangiro group more than the growers. The growers were responsible for supplying all preparatory inputs such as sawdust, cleaning materials, coal, etc. while the Sangiro group was responsible for supplying day-old chicks, medication, transport and feeds. However, these cost were deducted from the returns of the project. It is alleged that the Sangiro group would deliver more than the required feeds, and this had cost implications in terms of how the project should benefit in return.

The price that the Sangiro group was offering was R9.20 per kg per chicken and birds were sold at a weight of between 1.6kg-1.7kg. Sangiro would delay in delivering the feeds to the project and this created weight challenges to the birds, and that ultimately affected the returns to beneficiaries. It is indicated that there were times where the project was experiencing a high mortality rate which led to the beneficiary seeking advice from a private veterinarian (Thupana interview, 2010a). However, the Sangiro group declined the recommendations by the private veterinarian. This ultimately led to beneficiaries continuing to incur costs related to vaccines and other remedial necessities. The Setholola project settled these costs to avoid a high mortality rate, as any drop in production meant a major drop in their returns.

The drop in production in early 2008 and the reluctance of the Sangiro group to assist in the process resulted into Setholola seeking legal advice from lawyers. However, there was very little that could be done to correct the situation. During the purchase of the farm, although the government remained the owner, the screening of the contract concentrated on the legalities, but not on the benefits of the beneficiaries. There was general excitement when the property was purchased with a market readily available, but a proper understanding of the contents and obligations of the contract was lacking (Mogaswa interview, March 2011).

5.4.9. Infrastructural development and mechanization

The available infrastructure required constant maintenance to meet the standards of the market (Thupana interview, 2010a). The project experienced a borehole breakdown and this threatened the stock which was in place. The DRDLR also released an amount of R91 000 which was used for the erection of a fence. Apart from this, the projects had not benefited from any other support from either the government or private institutions. During her occupation, the beneficiary bought her own working tools and means of transport.

5.4.10. Conclusion

The project was purchased with an advantage of experienced personnel and a well-established human resource structure. This advantage had the potential to grow the project beyond where it was found. The potential could have unfolded well if there was proper support provided to the beneficiary. However, the project lacked business skills to drive it beyond where it was. When the property was purchased with a contract of supply in place, there was no thorough investigation into the sustainability of the project given the rates that the market provided. This raises a question about the extent to which projects are screened during the approval processes, considering that approval structures are composed of experts from different fields.

5.5. Conclusions

Since PLAS was implemented within the same land redistribution framework which gave birth to redistribution programmes such as SLAG, LRAD and other redistribution models, it equally experienced a fair share of challenges, as experienced by its predecessors. Firstly, it was established under the framework of the “willing buyer, willing seller” model of redistribution. The case studies show that although the state was a willing buyer, willing sellers were not readily guaranteed. The time spent searching for a farm explains the dynamics faced by land reform applicants looking to buy a farm. Secondly, the state of underdevelopment of the occupied farms raises questions about the type and quality of land available for land reform. The introduction of PLAS did not expand the market opportunities for land reform, such as accessing land through

auctions. The continuation of bureaucratic processes of purchasing the property placed government as a willing, but passive buyer in the market which is open to everyone.

The case studies also display an inheritance of group projects which were perpetuated by the grant models of land reform. The dual implementation of LRAD and PLAS resulted in officials switching applications from LRAD to PLAS to suit delivery targets. If applicants had to form a group of ten members, it was assumed that the target was to match the LRAD grant. However, when applicants proved to be incapable of raising additional capital, an official would then switch the application to PLAS to avoid losing the project. The Lutendo Cooperative and the Tenehi projects were initiated as LRAD projects and were later switched to PLAS. This means that PLAS was used as a scapegoat from the frustration of inadequate capital for land purchase through LRAD. The officials' performance is the number of hectares transferred, whether under LRAD or PLAS.

There hasn't been a particular system that government put in place to assist beneficiaries to honour their lease obligation. The projects were running for an average of three years without beneficiaries paying anything, yet the contracts were renewed. It is not clear what guarantees the government has that the second round of the contract will yield a positive response. The 6% rental on the purchase price per annum is irrelevant if the scale of production does not match the purchase price.

Applicants continued to identify land and there was a sense of entitlement to land until the transfer processes were complete. In the end, government's purpose of allocating suitable land to beneficiaries was compromised, since land is allocated to those who identified it. This study suggests that government did not have a tool to identify land and to acquire it without any applicant attached. This is despite the requirements of PLAS to target strategically-located land.

PLAS requires that government makes the farm farmable as soon as the land is acquired so that the beneficiaries would not suffer. In the case of the Lutendo Cooperative, the cooperative depended on the neighboring commercial farmer for implements and mechanization. The Tenehi

project had to endure an inferior infrastructure throughout the term of the lease agreement. The prescription of preparing farms prior to settlement was not realized in the early days of PLAS.

Under LRAD, where projects had a loan component, repayments were attached to a fixed term and the repayment of such a loan would come to an end when the beneficiary finishes repaying. Under PLAS, rental payments are continuous as long as the beneficiary continues to lease the land. Given the above, PLAS is viewed as an expensive model for beneficiaries. LRAD repayments were calculated based on the loan amount, repayment terms and affordability of the debtor, but PLAS repayment is determined by the blanket 6% on the purchase price.

This study found that the long term implication of the non-payment of the obligations under a lease contract has been ignored. The lease contract remains a legal document which the state could use to demand revenue. The eagerness of beneficiaries to get land prevents them from interrogating the implications of not honouring the requirements of the lease agreement. The perception is that government knows that there is no production and as a result the state should not demand any payment. However, all state debtors should be handled in the same way as stipulated in the government policies (Maponya interview, March 2010). The complexity of land reform presents a moral challenge to the state, that although policy requires universal debt collection, the reality on the ground point in in a different direction.

CHAPTER 6: KEY FINDINGS

6.1. Introduction

PLAS has been implemented under a land redistribution programme whose purpose is to provide the poor with land for residential and productive purposes in order to improve their livelihoods (DLA, 1997). This programme targets previously disadvantaged South African citizens including the urban and rural poor, farm workers, labour tenants, as well as emergent farmers (DLA, 1997). The implementation of the redistribution programme is guided by the 'willing seller, willing buyer' principles which have been highly criticized for its hindrance to speedy land delivery (DLA, 2005).

PLAS was preceded by both SLAG and LRAD which were all grant-based models. Both programmes have been viewed as demand-led models, where land is identified by applicants, while the state awaits the efforts by applicants (Lahiff (2007a: 2). In this view, the government was criticized for not driving the land redistribution programme (DLA, 2005).

PLAS was introduced to bridge the gap of state driven or supply-led driven land redistribution wherein land was made available through applicants initiatives of searching for land to a state driven redistribution where the state acquire and distribute to the beneficiaries. In this model, the government would acquire land, prepare it, and then make it available to prospective farmers after a screening process (DLA, 2006a:18). In cases where such farmers prove to be productive, the land would ultimately be transferred to them. However, the privatization of land acquired through PLAS was suspended in 2009, when all redistribution programmes were suspended by the Minister of the Department of Rural Development and Land Reform (DRDLR, 2009c:1).

6.2. Land delivery

When PLAS was introduced towards the end of 2006, government had only transferred 3% on its 2014 target of redistributing 30% of white owned agricultural land (DLA, 2005). In the first two years of its existence in Gauteng, PLAS proved to be a potentially viable model of land delivery.

Within that period, over 20 000ha were transferred through PLAS, while other redistribution programmes could not match such an outstanding performance in the history of Gauteng land reform. Accordingly, the transfer also included properties where beneficiaries were struggling to secure capital as 'own contribution', some of whom have been there for a longer period (Mogaswa interview, 2011).

During LRAD implementation, land acquisition deals were forfeited because beneficiaries could not raise additional capital to supplement the grants. The extent of time spent securing such capital could not allow most land owners to wait until applicants acquired capital. As a result, offers to purchase would elapse, and 'willing sellers' withdrew their land from the state market and ultimately sold it privately (Manaka interview, 2011). However, PLAS displayed the potential to unlock such challenges because upon agreement of the price negotiations, the process of ownership transfer would start immediately, unlike under LRAD where applicants were required, in most cases, to produce their own contribution before transfer could be initiated. Most of the transactions that were deadlocked due to the lack of additional capital were therefore revived and purchased through PLAS.

This rapid land delivery programme was later dropped in 2008 because of a number of reasons. According to Malesela Manaka, the Director: Land Reform (Manaka interview, 2011) as PLAS continued to be implemented, the state started carrying the responsibility of the lease administration of all land acquired through PLAS. The DRDLR did not have the capacity to provide immediate support to PLAS beneficiaries and simultaneously continue to acquire land at the same pace. Secondly, DRDLR started to receive qualified audit reports on PLAS which contributed in cautioning officials in terms of how land should be acquired. The report identified inconsistencies in the support provided to individual projects such as percentages of the infrastructure development grant, the dilapidation of purchased machinery, and beneficiaries leasing properties without a lease agreement (DRDLR, 2009b). Even though the quality of the PLAS performance dropped drastically in Gauteng, its first two years of existence proved to be a potentially viable land acquisition model which could accelerate land delivery. The case studies of the Lutendo Cooperative and the Tenehi Project cc show that beneficiaries would not be able to afford the cost of their land, had they continued to buy through LRAD.

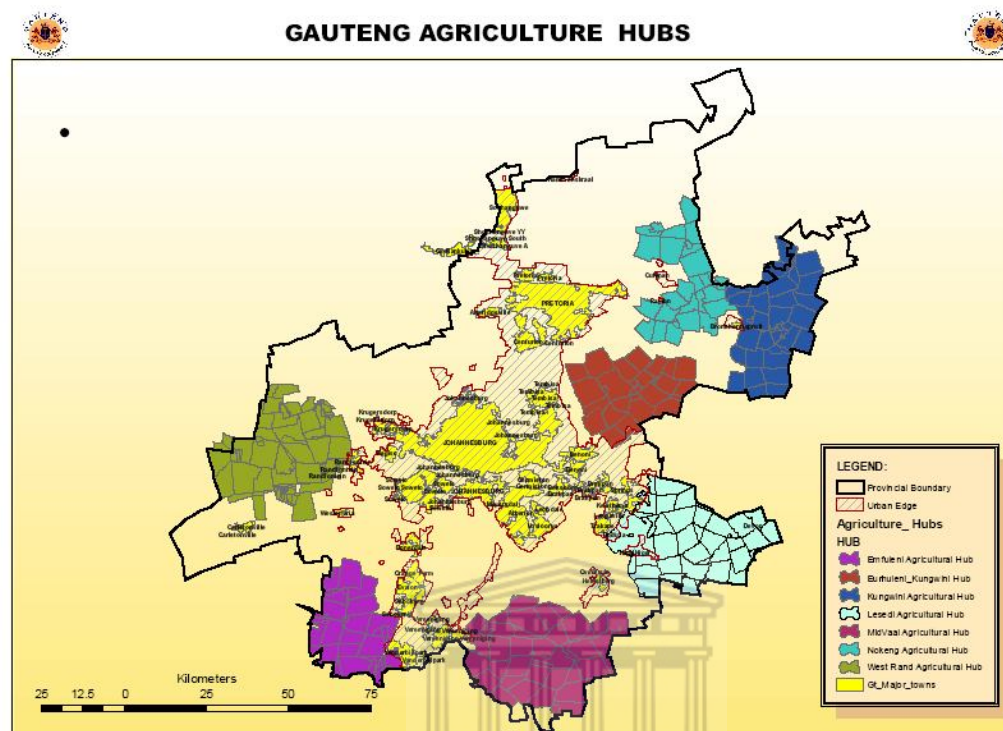
6.3. Land identification process

The introduction of PLAS afforded the government an opportunity to implement a supply-led approach as opposed to the demand-led approaches of both SLAG and LRAD. As indicated in the resolutions of the National Land Summit (DLA, 2005), the government had to provide an alternative to the LRAD so as to accelerate the delivery of land. However, this study reveals that even though PLAS is a supply-led model, it has been implemented as a demand-led model as all properties were identified by the applicants themselves, and the allocations were based on who identified the land, rather than the compatibility of the land with the resources of the applicants. Accordingly, PLAS beneficiaries should be identified based on their potential to use the land productively (DLA, 2006b:18).

According to Version 1 of the PLAS manual, it is indicated that the strategy would identify land in three distinctive areas (DLA, 2006b:10). Firstly, PLAS aims to acquire land in nodal areas which were declared by the 2001 Integrated Sustainable Rural Development Programme (ISRDP) which confirmed certain areas as rural nodes where efforts should be focused for development. Secondly, PLAS strives to acquire land along the identified agricultural corridors as areas where there are vibrant economic activities. Thirdly, PLAS intends to acquire land in areas with high agricultural potential such as agricultural hubs. These objectives proved to be unachievable when land identification is controlled externally by the market and the applicants.

Notwithstanding this particular focus on where land should be acquired, the Gauteng PLRO did not have a tool which assists to identify land. The province has since struggled to develop an Area Based Plan (ABP) which later changed to become the Rural Development and Land Reform Plan (RDLRP). One of the objectives of this tool is to identify strategically located land where land reform efforts can be focused. However, GDARD developed an Agricultural Hub study which declared several areas around the province as agricultural hubs in the Gauteng Province (GDARD, 2007).

Figure 6.1. Gauteng Agricultural Hubs (GDARD, 2007)



The study identified seven agricultural hubs in Gauteng with a total size of 605 750ha which represent 36% of the total surface area of the province (1 689 079 ha). Three agricultural hubs are in the Sedibeng District Municipality, two and a half in the Metsweding District Municipality, one in the West Rand District Municipality, and one in the Ekurhuleni Metropolitan Municipality (GDARD, 2007). An agricultural hub is defined as an agricultural development node that is characterized by large amounts of High Potential Agriculture Land (HPAL) necessary for protection and to be managed as a holistic agriculture unit (GDARD, 2007:5). The Agriculture Hubs Development Programme (AHDP) is a commercially-focused agricultural development programme with a spatial plan for present and future agricultural development in Gauteng. The main goal of agricultural hubs is to preserve, protect and enhance economically viable agricultural land in the province, particularly on HPAL. It is informed by the Gauteng Agriculture Development Strategy (GADS) which was developed in 2005 and launched in February 2006. GADS pillars include natural agricultural resource protection, enhancing the competitiveness of the sector, farmer development and support, partnership

formation and maintenance (intra and extra governmental) as well as emancipation of vulnerable groups (GDARD, 2007:5).

Even though GDARD launched the GADS in 2006 and developed the AHDP in 2007, this study did not identify the link between the strategy and the manner in which the three case studies were identified. The case studies confirm that land continued to be identified in the same manner as LRAD and SLAG. This was despite the fact that PLAS is a supply-driven model. This study perceives that the concurrent implementation of LRAD and PLAS compromised the land identification process as articulated in the PLAS strategy. Officials were comfortable to continue implementing PLAS through LRAD systems of land identification.

6.4. Beneficiary identification and selection

The case studies identified trends towards 'one-person' projects, even though beneficiaries were initially more than one. The trend is that some members would be pushed away by the dominant members as seen in the case of the Tenehi Project cc and the Setholola cc. There is no tool designed to protect beneficiaries from losing the benefits acquired through land reform. This trend suggests that the number of beneficiaries in land reform projects decrease over time. As a result, benefits are therefore reaped by a few. Officials influenced applicants to mobilise additional members even when the system did not demand that increase. The recruited members are the ones who fall victims of being pushed away. Ultimately, in practice, the projects become a one-person project. This practice continues to perpetuate the 'rent a crowd' pattern of the past as asserted by Hall (2010b:83). The case studies indicate that there is limited non-participation of other beneficiaries of the projects.

Both PLAS predecessors, i.e. SLAG and LRAD have been under criticism for creating a mismatch between beneficiaries and the land they are allocated (Lahiff, 2007b:13). PLAS created a facility whereby beneficiaries would be thoroughly screened before they were settled on a farm. The screening process provides the state with an opportunity to influence the process of determining who should benefit from which land. This model is different from other redistribution tools where land was identified by applicants and government allocated such land

to those who identified it, despite the mismatch between applicants and land. With LRAD having established approval structures in progress, PLAS was adapted to the same approval processes, but the focus remained on production viability, with a limited focus on who should benefit from the land. The case studies show that projects were subjected to approval structures, but none were subject to a beneficiary selection process.

6.5. Beneficiaries' contribution and commitment

In LRAD, a clear indication in terms of how applicants would access the grant for land purchase is provided (DLA, 2001:3). Applicants must provide their own contribution in the form of labour, kind and finances. A combination of these three categories would determine the size of the grant each individual would qualify for. However, PLAS beneficiaries were not subjected to any form of ownership. Accordingly, the framework in terms of the strategy seeks to target black people (Africans, Coloureds and Indians), groups that live in communal areas, black people with the necessary farming skills in urban areas, and people living under insecure tenure rights (DLA, 2006a:10). In this way the framework seeks to contribute to the decongestion of the communal areas, to secure on or off farm accommodation and to create sustainable livelihoods (DLA, 2006a:10). While the approach is pro-poor, it also caters for emergent and commercial farmers (DLA, 2006a:10).

The case studies identified that farms like the Lutendo Cooperative and the Setholoa cc have been operating commercially prior to their purchase, but after purchase, beneficiaries became over-reliant on assistance from the government. The view of this study is that if applicants were identified and selected with a consideration of their resources in terms of skills and capital, a clear distinction would have been drawn in terms of which land could be allocated for which group of applicants. In this view, subsistence farmers would not be viewed as failures, had they been allocated suitable land according to their resources.

Despite the fact that it was not PLAS's requirement to profile applicants' contributions, the level of commitment and availability displayed by beneficiaries, can be measured against the labour contribution which was recognized under LRAD. Furthermore, some beneficiaries bought

implements, vehicles and cattle, which could be viewed as contribution in kind under LRAD. Their personal financial support for production resembled their contribution to the development of the project.

In all three case studies there were beneficiaries who were living and working on the farms full-time. However, there were other beneficiaries who were part-time, and to a large extent visitors, on their allocated land. The departmental PLAS audit revealed that there were farms which were deserted and abandoned by beneficiaries, leaving them in the hands of their workers (DRDLR, 2009b). However, in all three case studies, respondents confirmed that they did not have any other residence except on the farm.

6.6. Land use planning and production

All case studies confirmed that feasibility studies and/ or project management plans were developed so that the application would be approved by the PGAC. The implementation of the approved plans could not be confirmed in all case studies, except in the Setholola project where the plan incorporated the existing market. The constant changes in production commodities suggest that there is no attachment to the approved plan, and there is no enforcement of the approved plan by the state.

Even though the production recorded in the case studies displayed difficulties, beneficiaries are still determined to make it work. There is enthusiasm and hope to continue with production irrespective of the challenges. Much of the current optimism is also influenced by the recent announcement by government to provide support through the Recapitalization and Development Programme (RADP). All case studies confirmed that they are likely to benefit from the RADP. However, there is a process which needs to be followed which includes the identification of a strategic partner by the beneficiaries or through the assistance of the relevant department.

6.7. Caretaking and lease agreement

In terms of this strategy, it is recommended that before a lessee is awarded a rental contract, the land should be handed to a caretaker who would take care of the property for twelve months, without an option to purchase. During this period, the state would have an opportunity to make the land farmable by providing all necessary equipment, infrastructure, and mechanization on the farm. However, all case studies confirmed that the current occupiers are the only people who ever occupied those properties. This suggests that no caretaker-ship agreement was signed prior to the signing of the lease agreements, and that there was no programme of making the farm farmable before settlement of the lessee.

Although the strategy recommended that a lease agreement should be linked to one production cycle (DLA, 2006a), the signed lease agreements were for a three-year period. This is despite the PLAS policy which advocates that the lease period must be linked to one production cycle of the enterprise that the beneficiaries are engaged in (DLA, 2006a:8). The lease agreements were designed as blanket contracts which are not based on the type of commodity to be produced.

This oversight was extended to the manner in which the lease amount was calculated. PLAS beneficiaries are expected to service their lease agreements through an annual payment of 6% of the purchase price of the property. The purchase price of the property is based on the market value of the property, but not on the production value of the land. In all case studies, none of them have paid any amounts towards their lease agreements. This is despite the fact that they have all been producing in one way or the other.

The strategy makes provision for the option to purchase the property after an assessment. When the strategy was reviewed in 2009, the option to purchase was withdrawn, leaving the government as the indefinite land owner (DRDLR, 2009c). This study views this withdrawal as an investment threat to beneficiaries, since they are reluctant to develop land which could be handed to other beneficiaries. As a result, PLAS beneficiaries are rendered highly dependent on the government for the land development and support. Furthermore, beneficiaries allege that they

have been missing investment opportunities because they do not own the land, and that their lease agreement is too short for an investor to make a commitment.

6.8. Conclusion

The introduction of PLAS brought significant assistance in the Gauteng province because land delivery increased. However, the institutional arrangement of DRDLR could not cope with continuous land acquisition and maintenance of the acquired land. The extent of support provided by the state to PLAS beneficiaries was structured to a value of 25% of the purchased price of the land, which was different from what was provided in other redistribution models which depended on the balance of the grant.

PLAS proved to have the potential to resolve some of the LRAD challenges, such as the inability of applicants to secure supplementary capital to purchase land. The trend observed from the case studies whereby applicants continue to identify land on their own, potentially compromises the supply-led objectives of PLAS. When some land is ultimately acquired, officials naturally allocate the land to those who have identified it even when the applicants are less resourced to effectively produce on that land. The case studies confirmed that beneficiaries are more dependent on state assistance. This trend has been observed in the other redistribution models; hence the allocation through state intervention came as a new model. The introduction of beneficiary selection processes was considered by officials as an add-on to the approval processes which were there before PLAS was introduced.

The research identified that beneficiaries will continue to be dependent on the state if the lease periods are not adjusted to fit production cycles of different commodities. The short term lease agreements create an environment whereby beneficiaries continue to depend on the state for support, while they could have secured such support from either private investors or financial institutions.

CHAPTER 7: CONCLUSIONS

Redistributive land reform as the basis on which PLAS was established, has been crafted by the World Bank for reducing poverty and inequality and it confirms the link between unequal land distribution and conflict. The implementation of PLAS was not supported by a tool which seeks to identify, target and confirm the poor amongst other participants, unlike in the case of SLAG where emphasis was placed on households with less income.

However, the implementation of PLAS demonstrated positive results in terms of land delivery. If this delivery is maintained, PLAS can speed up the process of transferring more land from the white owned commercial farmers to a system which allows the previously disadvantaged to have more access to land. This model resolves the bureaucratic barriers experienced when applicants for land redistribution had to raise capital to supplement the land purchase grant. The case studies confirm that these properties would not have been afforded by the same beneficiaries, had they been acquired through LRAD. The socio-economic status of the leasing beneficiaries is such that they could not have succeeded to secure capital to supplement the land purchase grant. This study identified that there is a lack of a strategic approach to land identification. Project officers rely on sellers to supply land with prescriptions of which land should be purchased, which areas should be targeted, and which commodities should be promoted. This is despite the indication by PLAS that land acquisition must be executed within the ambit of local/district level, IDP processes or an area-based planning approach (DLA, 2006a:11). In this case, the government needs not wait for estate agents or applicants to approach them, but should drive the process of identifying and determining land needs, select appropriate beneficiaries and identify suitable land. Municipalities, together with local/district agriculture offices may actively identify land and beneficiaries, and then approach the DRDLR for funding assistance for planning and land acquisitions (DLA, 2006a:11).

There was no clear approach on how DRDLR will identify land since PLAS is a supply-led approach without the completion of ABP. In this case, DRDLR depended on the market to present the available land without driving the process. The same approach was identified during the SLAG and LRAD implementation. It is the view of this study that all government support to

land reform should be well coordinated, in the form of project-integrated plans, by all spheres of government, to address the relevant needs.

The study also identified unclear matching of beneficiaries to land. When farmers are allocated a commercial enterprise, while their resources envisage them as subsistence farmers, failure can be forecast even before occupation of the farm. When farmers are entirely dependent on government support as the sole source of capital, sustainability of such enterprises cannot be guaranteed. All beneficiaries on the case studies blamed government for their slow progress in production. This is despite the beneficiaries' inability to account for the revenue collected while the farms were operational.

The continuous purchasing of land without disposing of it, as it is currently, created administrative nightmares. The case studies show that DRDLR has been struggling to properly administer lease agreements. The capacity of the PLRO to facilitate the purchase and monitor the acquired land remained the same. As a result of this dual operation, project officers concentrated on attending to purchased farms, and land purchase automatically went down drastically.

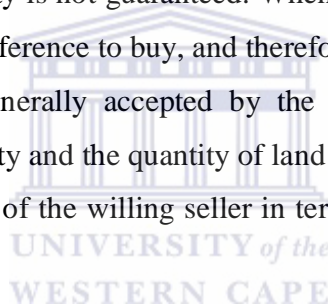
When beneficiaries are not certain about who will ultimately own the land, it threatens their investments on the property, and similarly creates over-dependence on the state by the beneficiaries. It is obvious from the case studies that beneficiaries were basically dependent on the government, not only for infrastructural development and maintenance, but also for production capital. Accordingly, beneficiaries view this as a limitation in PLAS and blame the government for not transferring the land to them.

The lease arrangement as compared to private ownership provides the government with an opportunity to lease the property to other beneficiaries if the current beneficiaries are no longer interested in farming. However, this is likely to create resistance if the current lessee made substantial investments on the land. Beneficiaries in the case studies were producing and aiming to produce different unrelated commodities, but they all had three-year contracts.

With regard to the first PLAS objective of accelerating land redistribution process, the first two years of its implementation in Gauteng confirmed that PLAS has the potential to speed up the delivery of land. Even though PLAS intended to acquire land in nodal areas and in the identified

agricultural corridors and other areas of high agricultural potential, the study identified that there was no plan or strategy to target land for purchase. Considering the third objective of improving the identification and selection of beneficiaries and the planning of land, the study identified that a system, in the form of a BSC, was established. However, the study identified that the government continued to guide the composition of the group in terms of the number of people within a group, and the mismatch between land and beneficiaries continued.

Given the dimensions of time, quality and quantity in the process of accessing the land, it is clear that land reform programmes based on the 'willing buyer, willing seller' approach cannot distribute land overnight. Secondly, although the state is a 'willing buyer' who can acquire land much faster, there are limitations linked to MBLR, on which redistributive land reform is based in South Africa. The study identified that although the willing buyer is capable of acquiring the land, the willing sellers' availability is not guaranteed. When the land is available to the market, the state does not have the first preference to buy, and therefore competes with the private sector, whose duration of transfer is generally accepted by the willing sellers. The willing seller continues to control the type, quality and the quantity of land to be available on the market. If the state does not meet the conditions of the willing seller in terms of time, the transaction is likely to be forfeited.



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APPENDIX A

Questionnaire directed to the beneficiaries of the Proactive Land Acquisition Strategy (PLAS) for the purpose of research on “The potential and limits of the Proactive Land Acquisition Strategy (PLAS): Land Reform implementation in Gauteng Province of South Africa”

Introduction

Good morning/ afternoon/ evening. I am Ndivhuho Ranwedzi, a student at the University of the Western Cape conducting a study on the potential and limits of the Proactive Land Acquisition Strategy for my Masters Degree in Land and Agrarian Studies. I would like to hear from beneficiaries of PLAS regarding their experiences, knowledge, constraints, and opportunities on the PLAS model of land reform.

Your answers are very important to both of us because they will help us to identify areas of intervention.

This interview is confidential, and no names will be taken to associate anyone with a particular question and/or answer. All information gathered through this exercise will only be used for the purpose of this study.

Though your responses are considered important, you are not compelled to respond if you choose not to.

Do you agree to be interviewed?

1. YES
2. NO

Place: _____

Date: _____

Research questions

Project name:

Purchase price:

Number of beneficiaries:

Extent of the land:

Period of occupation:

DEMOGRAPHIC DATA

Beneficiaries	Age	Education	Income	Source of income	Position at household
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					

Age: 1. (<20); 2. (20-35); 3. (36-45); 4. (45-60); 5. (>60)

Education: 1. (never); 2. (Grade 1-7); 3. (Grade 8-12); 4. (Tertiary qualification); 5. (Postgraduate)

Monthly income: 1. (<R500); 2. (R501-R1000); 3. (R1001 –R2000); 4. (R2001 –R3000); 5. (>R3000)

Source of income: 1. (Formal job); 2. (Business); 3. (Pension); 4. (Informal job), 5. (Other- specify)

Position at Household: 1. (Father/Mother); 2. (Dependant); 3. (Grandparent); 4. (Uncle/Aunt); 5. (Other-specify)

BASIC SERVICES

Beneficiaries	Water source	Sanitation	Energy source	Shelter
A				
B				
C				
D				
E				
F				
G				
H				
I				
J				

Water: 1. (Municipal); 2. (Borehole); 3. (River/stream); 4. (Tanker); 5. (Other-specify)

Sanitation: 1. (Inside house); 2. (Outside house); 3. (Pit); 4. (Mobile); 5. (Other-specify)

Energy source: 1. (Electricity); 2. (Gas); 3. (Solar); 4. (Paraffin) ; 5. (Other-specify)

Shelter: 1. (Suburb); 2. (Township); 3. (RDP); 4. (Informal settlement); 5. (Other-specify)

BENEFICIARY SELECTION PROCESSES

How did you come together as a group? If alone, how and why did you decide to do it alone?	
1. Who started the project?	

2. Did you know each other before you joined the project? If yes, how did you meet	
3. How long did you know each other and how did you know each other?	
4. Are there members who did not know one another before they joined the project?	
5. Is there anyone who is involved in any socio-economic, political, religious, etc. activity with any member of the project? If yes, how long have you been doing it, and how often do you engage each other on such activities?	
6. Which other activities do you do together as a group except this project?	



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LAND IDENTIFICATION PROCESS

Explain the manner in which you identified the property	
7. Who identified the land?	
8. How did you identify the land?	
9. How long did it take you to identify this farm?	
10. How long have you been looking for a farm?	

11. Who helped you to identify the land?	
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LAND ACQUISITION PROCESS

Explain how you knew about land reform and how you followed the process until you accessed this property	
12. In which institution did you lodge your application?	
13. In which area was the application lodged?	
14. Were you involved with the process of acquisition?	
15. How were you involved?	
16. To what extent were you involved in the price negotiation?	
17. What efforts did you do to get the property transferred?	
18. What costs did you incur during acquisition?	
19. How much was the cost?	
20. How did you recover such costs?	

PROJECT OWNERSHIP AND MANAGEMENT

Explain how you managed the project to date? Who was	
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responsible for what?	
21. Do you have a management/leadership structure? If yes, state the structure (organogram).	
22. How was it formed?	
23. What consideration did you make when allocating members to positions?	
24. What is the involvement of project members in the daily activities of the project?	
25. What position does each member occupy?	
26. What production skills does each member possess?	
27. What business administrative skills does each member possess?	
28. What are your short term, medium term and long term goals?	
29. How do you cover your administrative costs?	
30. How much was the property purchased for?	
31. How much is your annual rental?	
32. How do you cover your rental?	
33. Do you have any additional	

source of income?	
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LAND USE PLANNING AND MANAGEMENT

Explain how you made production ever since you occupied the farm. What was produced and to what scale? What informed these commodities?	
34. What is the extent of this land?	
35. What was the previous land used for before you occupied the farm?	
36. What is the current land use?	
37. Is your land divided for different land use? If yes, how is it divided and for which commodities?	
38. Did you change the land use and commodities? If yes, why did you change? If no, why didn't you change?	
39. Do you have any land use and development plan? If yes, how was it developed? If no, what informs your continuous productions?	
40. How often do you refer to and or comply with these plans?	
41. What is your main produce?	
42. How do you determine what to produce?	

43. Have you signed a lease contract with the Department? If yes, when was it signed and for how long will you be using the property?	
44. How much have you spent in servicing the lease contract and where did you get funds from?	
45. When it expires, are you intending to renew it? If yes, has the Department contacted you about renewal?	
46. If you were to renew the contract, what would you like to see changed/ amended on the contract?	

SUPPORT SERVICES

Training

47. Have you received any training before, during or after occupation of the farm?	
48. If yes, what type of training and for how long?	
49. Is any member affiliated with any study group and or commodity group?	

Marketing


50. Where do you market your produce?	
51. Do you have any contracts with your market?	

52. How do you market your products?	
53. How do you relate to your market?	
54. What do you do with the surplus?	

Stakeholders

55. Which institutions normally provide you with support, and how often do you receive such support?	
56. What type of support do you receive from those stakeholders?	

Infrastructure

Explain what infrastructural investment did you make to the property ever since your occupation	 UNIVERSITY of the WESTERN CAPE
57. Which infrastructure did you develop after occupation?	
58. How much did it cost?	
59. What was the source of funding?	
60. How do you maintain such infrastructure?	
61. What is the source of maintenance?	

Mechanization

Explain how you provided mechanization for your production	
62. What equipment/ implements did you bring to the project?	
63. What equipment did you find in the property, and what was the condition of such equipment?	
64. What equipment did you purchase after occupation?	
65. How much did it cost?	
66. What was the source of funding?	
67. How do you maintain such equipment?	
68. What is the source of maintenance?	




Production inputs

Explain how you provided inputs for your productions	
69. What are your major inputs?	
70. Where do you collect such inputs?	
71. What is the distance between the farm and the supplier?	
72. How often do you require such inputs?	

73. What is your monthly cost for the inputs?	
74. Where do you get resources for your inputs?	

Extension services

Explain your relationship with the Extension Officers and how you access their services	
75. Do you receive any extension services? If yes, how often do you receive such services?	
76. What type of information do you receive from the extension officers?	
77. Where do get the information that the extension officer is not providing?	
78. Do you find the information from the extension officers helpful?	

State any other information you would like to share with the Researcher regarding your project:

Signature of Enumerator

Date