

Assessment of Factors that Could Influence Preference for Alternate Redress on Restitution Land Claims in Vhembe District, South Africa

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ABSTRACT Due to slow progress of land redistribution in South Africa, and the relative success of the restitution component, the South African government passed legislation in 2014 that reopened land right claims for a five year period. This study was conducted in two villages of the Vhembe District Municipality with the aim of assessing factors that could contribute towards preference for financial compensation. A multistage sampling technique was used to select municipalities, villages and respondents. The latter were subjected to a random selection process at the village level. Quantitative data were collected by means of a pre-tested questionnaire and analysed using descriptive and inferential statistical techniques. The study found that the financial compensation was put to various uses including housing construction and acquisition of moveable household assets. Inferential statistical analyses revealed positive associations between preference for financial compensation and three explanatory variables, that is, household size, use of financial compensation and challenges experienced. A negative relationship was found between preference for financial compensation and asset ownership. The paper recommended for joint rather than extended family representative submissions of land rights claims and for government to devise strategies that would discourage preference for financial compensation.

INTRODUCTION

Due to the relative success of the land component of the South African land reform policy, government passed legislation that reopened new land claims commencing in 2014 and ending in 2018 (Republic of South Africa 2014). The process was a sequel to the slow progress of land reform that was initiated when the inclusive South Africa government assumed power in 1994 after inheriting a spatial landscape that resulted from many years of implementing the 1913 Land Act (Department of Land Affairs 1994). The 1994 land reform policy rested on three legs, that is, land to the dispossessed, tenure reform to those occupying land that belonged to others (usually labour tenants and occupants of communal or trust land) and land redistribution to those that could not prove dispossession but had substantial interest in acquiring land for farming purposes (Department of Land Affairs 1997; Hall 2004).

The slow pace of land reform in South Africa has been attested by various literature sources (Lahiff 2007; du Plesis 2014). Kleinbooi (2011) has noted that whereas the South African government set a target of thirty percent as land

that was to be redistributed by 1999, it was missed several times (in 1999, 2004, 2008 and 2014) with new target set to the early 2020s. Up to 2011, almost 12 years after the first target year, only seven percent of the land surface had been redistributed. Kleinbooi (2011) also attests to the fact that about forty- five percent of redistributed land emanated from the component. It is thus not surprising that government policy shifted towards the reopening of the land claims to those that missed the three year window period that ended on 31st December 1998. Whereas the success of the new venture could largely depend on the extent to which impediments such as capacity, operational efficiency and the ability to fill vacant posts are mitigated, inherent characteristics resident in claimants themselves could also be pivotal stumbling blocks.

Objectives of the Study

While a substantial number of claimants were expected to settle on restored land, it was anticipated that some would opt for financial compensation (SAFLII 1994) especially in situations where the dispossessed land could not be restored due to permanent settlement by other

communities or massive land improvements (towns etc.). Experience gained from past land claims lodged between 1994 and 1999 has revealed that most claimants were second or third generation beneficiaries and that many such claims were lodged by individuals on behalf of extended families (Akinboade 2008). It was thus expected that such claimants would be attracted more by financial rewards rather than restitution of land despite anticipated negative impacts such as poverty escalation and other related negative consequences (Dikgang and Muchapondwa 2013; Parliamentary Monitoring Group 2007; Kepe and Cousins 2002). The main objective of this paper is therefore to identify factors that could influence alternate compensation, especially the financial component as a redress strategy for land restitution in South Africa, with specific reference to two villages in the Vhembe District. The specific question that the paper sought to answer was: "Out of those households that received financial compensation from the two villages, which factors determined the extent of preference to the financial compensation?" Responses to this question will highlight the extent to which the strategy of financial compensation has succeeded in counteracting concerns raised by Dikgang and Muchapondwa (2013) regarding the negative effects of the financial compensation option, especially its poverty enhancing potential. The finding could also be critical in South Africa where government has recently passed legislation, the Restitution of Land Rights Amendment Act 15 of 2014 (Republic of South Africa 2014) for re-opening of land claims in response to slower land redistribution via the other two components, that is, tenure reform and general redistribution.

MATERIAL AND METHODS

Study Design and Sampling Procedure

As outlined in the Vhembe District Municipality (VDM) (2010) the district is situated in the northern side of Limpopo Province, South Africa. It shares international borders with Zimbabwe in the North, Mozambique in the East and Botswana on the western side. VDM is one of the five districts of Limpopo Province with four local municipalities (Makhado, Thulamela, Musina and Mutale). The district covers 21,402 square kilometres of land that is mostly rural

(more than 98%). In January 2013 a cross sectional survey of representative claimant household heads was conducted using a pre-tested questionnaire in two villages of the VDM, that is, Phaphazela (Thulamela Local Municipality) and Ribungwani (Makhado Local Municipality). These villages were identified by their local authorities as having faced substantial forced removals. The process followed a multi-stage sampling technique that commenced with purposive sampling of two local municipalities that had experienced forced removals in the mid-1960s. These were Makhado and Thulamela local municipalities. Officials from the two municipalities provided a list of all villages under their control. After conducting a random sample of one village from each municipality, the selected village council was requested to identify dispossessed households for participation in the study. A systematic random selection technique was used to draw a sample of 183 respondents (100 from Phaphazela in Makhado and 83 from Ribungwani in Thulamela) from a population of 508 claimant households (261 from Ribungwani and 247 from Phaphazela). Both qualitative and quantitative approaches were used to collect data.

The data collection tool (questionnaire) was specifically designed to collect information in line with the objectives of the study, that is, preference for financial compensation, number of people in the household, asset ownership, use of financial proceeds (financial compensation), sharing risk, challenges faced and actual beneficiary. The questionnaire was pre-tested within five households from each village to detect problem questions and to reduce non-response rates. Selected household heads were subjected to face-to-face interviews by trained enumerators. Respondents were informed of their rights to discontinue with interviews at any time or to request for a revisit in cases where they had other pressing commitments.

Data Analysis

The IBM SPSS version 21 computer program was used to capture and analyse collected data. A logistic regression model, which considered the extent of preference to financial compensation as a dependent variable versus size of household (HH), asset ownership (ASSO), use of compensation (UC), living standards (LS), risk

(RK), challenges encountered (CE), who benefits (CL) as explanatory variables was run on the basis of the following probability equation (Field 2005):

$$Y_i = 1 / [1 + e^{-(b_0 + b_1 HH + b_2 ASSO + b_3 UC + b_4 LS + b_5 RK + b_6 CE + b_7 CL + \epsilon_i)}]$$

The above equation can be explained as follows:

- ♦ Y_i = preference for financial or in-kind compensation (Financial= 1, In-kind= 2);
- ♦ e = base of natural logarithm;
- ♦ b_0 to b_7 = coefficient of the predictor or independent variables;
- ♦ HH = Number of people in a household (1 = 5 or less; 2 = more than 5);
- ♦ ASSO = Asset ownership (1 = farm equipment; 2 = brick house; 3 = mud house and other assets);
- ♦ UC = Use of financial compensation (1 = honouring the departed with tombstones; 2 = investment with banking institutions; 3 = buying household moveable assets; 4 = buying immovable assets);
- ♦ RK = Risk of not sharing financial compensation with others (1 = prepared to share; 2 = not prepared to share);
- ♦ CE = Challenges encountered (1= infighting and insufficient funds; 2 = other challenges such as large number of siblings etc.);
- ♦ CL= Actual beneficiary (1= claimant; 2 = parents; 3 = other such as siblings, in-laws etc.); and
- ♦ ϵ_i = Error term

The above variables and their possible signs (directions that can be taken) are summarised in Table 1.

Considering all variables being equal, Gujarati (1992) asserted that the coefficient values will measure the expected change in the logistic regression model for unit changes in each explanatory variable, other variables being equal. The coefficient sign is critical in that it reflects the direction of influence of a particular explanatory variable on the logistic regression model. For the present study, a positive sign will imply that an increase in a particular explanatory variable will result in increased preference for financial compensation and vice-versa. The p-values (also referred to as significant values) will indicate the extent to which a change in the explanatory variable influences the outcome variable. Significant values are usually those falling between one percent and ten percent levels (that is, 0.00 and 0.1).

RESULTS AND DISCUSSION

Descriptive and inferential statistical results of the study are presented in Table 2 and Table 3 respectively. Table 2 shows that most of the claimants (54.1%) opted for financial compensation as a redress mechanism for dispossessed land rather than other forms of compensation. The table also shows that most claimants were the originally dispossessed (72.7%) with households of equal sizes between those that had ei-

Table 1: Variable description and expected sign in logistic regression model

Variable	Description	Expected sign
<i>Dependent (Y)</i>	Preference for financial compensation: (Yes=1; No=2)	
<i>Independent variables</i>		
HH	Size of household: (1=Less than 5; 2= 5 and above)	-
ASSO	Asset ownership: (1= farming equipment, 2 = immovable assets)	+
UC	Use of financial compensation: (1=honouring the departed –tombstones etc., 2=Investment with banking institutions, 3=buying moveable household assets 4=buying immovable assets)	+
RK	Risk of not sharing with others: (1=prepared to share, 2= not prepared to share)	-
CE	Challenges encountered: (1= infighting and insufficiency of funds, 2= other challenges such as many siblings etc.)	-
CL	Claimant: (1= the original dispossessed,2= children, 3= others such as distant relatives)	+/-

Table 2: Descriptive statistics for study variables

Variable	Observation	Observation (%)
Preference for financial compensation	Yes	54.1
	No	45.9
Actual claimant(CL)	Originally dispossessed	72.7
	Children	22.4
	Others (in laws distant relatives.)	4.9
Household size (HH)	Less or equal to 5	50
	More than 5	50
Asset ownership (ASSO)	Farm equipment	10.5
	Immovable assets	89.5
Use of financial compensation (UL)	Honouring the departed (tombstones)	16.9
	Investment with banking institutions	3.8
	Buying moveable assets	49.7
	Buying immovable assets	28.6
Risk of not sharing with other close relatives (RK)	Prepared to share compensation	76
	Not prepared to share compensation	24
Challenges faced (CE)	Infighting and insufficiency of funds	65.5
	Others (large number of siblings etc.)	34.5

n =183

ther less than or more than 5 family members. The most important assets owned by claimants were houses (89.5%) rather than ownership of farm assets while much of the financial compensation was put to acquiring moveable household assets (49.7%). Quite interestingly most claimants were prepared to share with other extended family members, despite substantial infightings (by 65.5% of claimants) due largely to insufficiency of funds.

Results of the logistic regression model are shown in Table 3. Table 3 reflects odd ratios of independent variables (B), standard errors (SE), Wald statistics, degrees of freedom, levels of significance (at 1percent, 5percent and 10 percent respectively) and the exponential of expect-

Table 3: Parameter estimates of the logistic regression model for the two villages

Variables	B	S.E.	Wald	Df	Sig.	Exp(B)
HH	0.345	0.127	7.419	1	0.006***	1.412
ASSO	-1.523	0.521	8.531	1	0.003***	0.218
UC	0.364	0.174	4.398	1	0.036**	1.439
RK	-3.111	1.933	2.592	1	0.107	0.045
CE	1.154	0.589	3.846	1	0.050**	3.172
CL	0.343	0.284	1.463	1	0.226	1.410
Constant	-3.928	1.582	6.164	1	0.013	0.020

* = 10% level of significance ** = 5% level of significance; *** = 1% level of significance

Model summary: Hosmer and Lemeshow Test: $\chi^2 = 116.677^a$; Df = 7, Cox & Snell R Square = 0.0238, Nagelkerke R² = 0.674.

ed values [EXP(B)] raised to the value of the logistic regression coefficient. As noted by O'sullivan et al. (2006) and Gujarati (1992) EXP (B) values greater than one imply high probability that the independent variables have significant influences on the model and vice-versa

Diagnostic tests (R², χ^2 and the Cox & Snell R Square) show that results are fairly representative of the population of claimants within the two villages. Out of the six model variables that were run, four were found to be significantly associated to preference for the financial compensation (two each at 5percent and two at 1 percent levels of significance respectively). Household size (HH) was found to be positive and significant at one percent level of significance implying that as the household grew or increased, preference for financial compensation also increased. As the other option would have been alternate redress (that is, availing other land portions) to beneficiaries, it would have been difficult to accommodate an increasing number of claimants within a fixed piece of land. It is therefore appropriate for claimants to have opted for financial compensation, especially due to its ease of divisibility.

A negative but highly significant relationship was found between preference for financial compensation (1 percent level of significance) and asset ownership (ASSO). The relationship implies that financial compensation led to decreasing acquisition of assets. This result is ex-

pected as an increased number of beneficiaries that would share could result in lessor assets being acquired. The relationship between use of compensation (UC) and preference for financial compensation was not only positive but also significant (at the 5 percent level) implying that increased access to financial compensation resulted in increased asset ownership (especially moveable and immovable assets as depicted in Table 2). Challenges encountered when funds were distributed to claimants (CE) were positively correlated with extent of preference for financial compensation (5percent level). The result was expected as it implies that an increase in challenges encountered will result in increased preference for financial compensation rather than persistent conflicts that would result from sharing smaller land units (as it would have to be divided to many claimants).The risk involved when sharing the compensated amount and as to who actually submitted the claim were found to be insignificant contributors to preference for financial compensation.

A study by Bohlin (2004) also supports preference for financial rather than land as a redress mechanism. That study advanced two major reasons for such preference. The first was that despite land being the most decent way to return land to the dispossessed, that option was sometimes not feasible, especially when the claimed land had massive improvements. The second reason asserts that despite the high probability of being successful, cash claims were usually more quickly processed than their land settlement counterparts. As noted BY Wademan (2015), the land settlement option failed to realize increased food production and improved living standards to its intended beneficiaries, mainly due to lack of both financial and skills development support.

CONCLUSION

The main objective of this paper was to assess the extent of preference experienced by recipients of financial compensation as an alternate redress strategy to the dispossessed following many years of implementing the South African separate development system. The study was specifically conducted in two villages of the Vhembe District Municipality in South Africa that were randomly selected to participate as most villages comprise of households

that in one way or another were dispossessed of their land. Both quantitative and qualitative data were collected by means of a pre-tested questionnaire and analysed using descriptive and inferential statistical techniques.

The study found that most of the claimants were not only the originally dispossessed but opted for financial compensation as a redress mechanism. The most fixed assets owned by claimants were houses. Despite insufficiency of funds claimants were quite prepared to share amongst extended family members.

Results that emerged from the analytical model reflected significant associations between preference for financial compensation – the dependant variable - and four explanatory variables, that is, household size (positive and significant at the 1 percent level), use of the financial compensation (positive and significant at the 5 percent level), challenges experienced when distributing finances (positive and significant at the 5percent level) and asset ownership (negative but highly significant at the 1percent level).

The study confirmed previous work on the subject regarding preference for financial compensation rather than other redress mechanisms such as alternative land in situations where the original land could not be restored.

RECOMMENDATIONS

On the bases of the above, the paper forwards the following recommendations, especially in view of the new SA government's promulgation of the Restitution of Land Rights Amendment Act that has opened up a five year land claims process that commenced in 2014 (Republic of South Africa 2014):

- ♦ To evaluate the exact impact of the financial compensation on beneficiaries, it will be crucial for all extended family members to submit joint land claims. This will avoid hoarding by representative claimants as the latter could be fraught with challenges - reflected by inferential postulations of this study.
- ♦ Taking into consideration the constitutional rights of citizens to make their own choices, there is also need to realize that financial compensation as a redress mechanism defeats the intents of land redistribution, especially in South Africa where more than eighty seven percent of the population was

subjected to only thirteen percent of the land surface. In essence, financial compensation – the most preferred option – legalises permanent dispossession and skewed land ownership. For these reasons, it will also be critical for initiation of campaigns to educate the potential claimants about the whole land reform process and its intended outcomes, especially the need to acquire appropriate skills necessary for effective utilisation of settled land.

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