The Panacea of Effectuating Land Reforms in South Africa as a Strategy to Indigenise the South African Economy

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ABSTRACT Despite being an undeniable panacea for economic indigenisation, land reforms in South Africa, have retained derisive outcomes in economic indigenisation and thereby underscoring the goal of resolving social and economic development of the majority blacks. The aim of this paper is to explore the dynamics of land reform in South Africa as a possible panacea to indigenizing the economy. For, a deeper understanding of land reform and indigenisation in South Africa information on dynamics of land reform in South Africa will be explored through document analysis.

INTRODUCTION

Globally, land reforms remain a panacea and a potential key to indigenization (Lund and Boone 2013). Land is a source of livelihood, a source of employment, a sign of authority, a sense of belonging, a key to empowerment and a route to genuine indigenisation (Watcher 2010; De Villiers 2003: 45). Apparently in these researchers’ opinion, indigenisation could be one of the best strategies to effectuate and redress the imbalances, inequalities, injustices and oppression of the past which are currently responsible for the present inequalities such as in land redistribution (Ramutsindela 2001). Despite its independence in 1994, South Africa, just like many other African countries that still shows scars of their colonial masters, also has conspicuous scars of apartheid symbolised by the unequal distribution of land between the races. These stem back from the 1913 Land Act which officialised less than 13 percent of the land to the Africans (who constituted more than 80 percent of the total population) and more than 87 percent of the fertile land to the Whites. It is critical to note that many scholars argue that 13 percent of the land was for the blacks, but a critical analysis proves the allegation faulty. This is because of the 5.7 percent parcel of land which was released in the Land Act of 1936 to top up the 7.3 percent of the 1913 land Act was not distributed to people, but it remained under government (Union of South Africa 1913; South Africa 1991; Lethoalo and Thupana 2013: 299).

This was further worsened by the 1937 Natives Laws Amendment Act which barred the blacks from buying the land in urban areas (Union of South Africa 1936). In response to this, South Africa soon after independence in 1994 attempted many efforts to effectuate economic indigenisation through land reforms. Land reform was underpinned by restitution, redistribution and tenure reform (Ramutsindela and Mogashoa 2013). This is substantiated by The Settlement/Land Acquisition Grant scheme (SLAG) which was granting Rs 16 000 to the poor families to purchase the land; and The Land Redistribution for Agricultural Development (LRAD) which was non prescriptive (Aliber and Cousins 2013: 3). In addition, the government also introduced the PLAS (Proactive Land Acquisition Strategy) scheme in which the state became the major player in buying the land for redistribution (Lahiff 2008: 7). The government also implemented the agriculture Black Economic Empowerment (Agric BEE) so as to indigenise the economy by benefiting the previously disadvantaged “Blacks” with 35 percent of agriculture enterprises (Lahiff 2008: 90). However, all these efforts seems not to be accruing the expected dividends because the land reform is based on the willing buyer willing seller approach basis which is also known as the market led approach. It is the approach recommended by the World Bank (Bradshaw 2008: 76; Lahiff 2005: 1). However, the South African land policy only differs with the World Bank’s model in that it does not divide land, otherwise they bear a striking
Paradoxically, and in these researchers’ subjective contention, the willing buyer-willing seller, or ‘the market based approach’ may not solve 361 years of injustice (National Union of Metal Work in South Africa 2013). Undeniably, and in normal circumstances, no one will be willing to sell the land. It is therefore critical that the government revises some of these strategies, or possibly skew them to affirmatively favour the disadvantaged lot (Letsoalo and Thupana 2013). Perhaps critically looking at a few countries in Africa and evaluate how they have addressed the land reform problems could possibly attempt to help South Africans achieve their land redistribution process in a smoother and workable way. This is because unequal land redistribution is anti-indigenisation. Incontrovertibly, unequal land redistribution appears to increasingly become a permanent feature of a huge segment of the South Africans. Perhaps a few questions need to be answered. Will the land reforms possibly and meaningfully contribute to indigenisation and possibly reverse land inequality, income inequality, unemployment, food insecurity and poverty? This paper, therefore, seeks to provide these answers by exploring the dynamics of land reform in South Africa as a possible panacea to indigenise the South African economy.

**Problem Statement**

It is these researchers’ contention that despite the fact that many efforts have been taken to undo the land imbalances, apparently development pragmatists are still in a state of dilemma, not adequately convinced which method or model will effectively accrue great dividends of effectuating land reforms, restitution and redistribution. Apparently, the model being used appears to bear a striking semblance with the World Bank’s recommendation of the willing buyer-willing seller model. More so, land reform process appears not to achieve indigenization of the economy. While inarguably the blacks constitute the majority part of the population, land is still in the hands of the minority Whites. Rather than being a means and an end in fostering meaningful development, reversing poverty, creating employment and a way to facilitate industrialisation, the process of willing buyer-willing seller appears only to benefit the black capitalists through the so called Black Economic Empowerment at the expense of the poorest of the poor. This situation is perturbing considering that more than 53 percent of South African population is reeling with poverty and when some Africans are still landless. Undeniably, agriculture cannot be effective without major land redistribution. To this end, this research paper aims to explore the dynamics of land reform in South Africa as a possible panacea to indigenise the South African economy.

**Operational Definition**

**Panacea**

While the meaning of panacea is the solution to all maladies, or remedy to all challenges, in this paper, the term means a desirable or a beneficial state of affairs.

**METHODOLOGY**

This paper shall use document analysis. Document analysis is whereby the study uses facts or information which is already there which may have been used for other purposes (Shepherd 2002: 44). Text books, internet, government records, newspapers, education websites, journals and reports have been used to explore the dynamics of land reform in South Africa as a panacea to indigenise the South African economy. Document analysis has been used because it is inexpensive in the sense that it uses readily available information at little or no cost (Pizzaro and Bartels 2011: 57).

**OBSERVATIONS AND DISCUSSION**

**Pertinent Factors to Effectuate Desirable Land Reform**

**Training and Giving Farmers Necessary Skills**

Inarguably, land reform is a panacea to economic indigenisation (Andreasson 2010). Land reform is likely to facilitate people’s economic empowerment through engaging agriculture for domestic food consumption, for sale, for industrialisation, employment, etc. Food security is a critical factor that land reform can try to address. Therefore, such kind of land reformation is a probable avenue of achieving or improving the economic productivity of especially those who were landless (Ramutsindela and Mogashoua 2013). Thus indigenisation of the land reform empowers people. However, for land reform to
accrue huge dividends, there is need to consider equipping people with various agriculture empowering skills before effectuating land redistribution. Redistributing the land without training people is a recipe for disaster. Farming without considering effective and efficient methods and ways of planting, which crops are suitable in a particular season, marketing strategies etc cannot promise optimum dividends. The opposite, therefore, may not be an approach of redressing poverty, social differentiation and imbalances and unsustainable food production (De Villiers 2008: 4). Regrettably, the South African government to a greater extent lacks sterling approaches, clarity and policies of empowering especially the unskilled and the disadvantaged in agriculture. This is a gap in the land reform process that needs to be filled urgently (Dlamini et al. 2013).

Most importantly, the government should first train the trainers who will train the people who will be involved in agriculture. The fact that government must train the people involved in agriculture under land reforms on how to run the machinery cannot be disputed, but the million dollar question is who will train the trainers? Apparently, the government lacks relevant policies for skills development, hence there is a problem of training the farmers who need to be trained in agriculture so that they can learn farming as an important occupation for their livelihood. The Government should change its attitude of underplaying the process of helping the poor who critically need these skills (Chambers 1997: 83).

**Introducing Advanced Technology and Innovation in Agriculture**

Innovation and the use of advanced technology are very crucial phenomena in agricultural development. This is because they increase productivity, lower costs of production and save time especially to poor people who may be preoccupied by a beehive of unworking survival strategies (Ramutsindela et al. 2013). In other words, use of out dated technology leads to unsustainable agriculture. This is succinctly evident because with the ushering in of modernization, eurocentrism, modernization and globalization, technology has been advancing. There is therefore the need to choose green revolution compliant tools as opposed to the use of traditional technology such as the use of hoes and axes which are tiresome and inefficient. Using the “Iron Age” tools will not produce better results in agriculture. However, for farmers to use and embrace advanced technology, there is need for sustainable credit services irrespective of the income status. For instance, in support of the land reforms, the Comprehensive Agricultural Support Programme and Micro-Agricultural Finance Scheme have been critical in providing loans to land beneficiaries. For example, the Comprehensive Agricultural Support Programme allocated Rs 750 million for assisting land reform beneficiaries through the land affairs (Lahiff 2007: 1590). This funding can hopefully help land beneficiaries to engage and embrace appropriate and relatively sophisticated agricultural technology. Although technology is crucial, there seem to be inadequate support of credit services especially to the poorest of the poor. This is because banks do not trust them as they have no collaterals. Offering loans to the people who have collateral security only has created a situation where the poor people are excluded from land reform. Instead of indigenising the economy, land reforms have turned to be an avenue of marginalising the poor and thereby designing them to the sea of poverty (Lahiff 2008: 37).

**Win-win Situation on the Land Owners and the Landless People**

It is recommended that the land is distributed through in a win-win strategy between the landless and the current holders of the land. It would be in the spirit of indigenization, equity, equality and social justice that the land is shared equally among Africans and the Whites (Anaafo 2013). Instead of compensating the landless with Rs 16 000 under the restitution land reform strategy, people were supposed to be given land and be owners (Department of Land Affairs 1997). Undeniably, land cannot be valued as 16 000. More so, the land question of 361 year span in South Africa cannot be resolved with money. Paradoxically, the Reconstruction and Development Plan which was the first post-apartheid macro plan of South Africa proposed the redistribution of 30 percent of the land to the landless (Wegerif 2004: 9-10). But redistributing only 30 percent of the South African land may not solve the land inequality to the Africans who constitutes the majority of the population. Ump-
teenth, the 30 percent of the land has not yet been distributed. The government has for ever been postponing the exercise (Watcher 2010). However, the issue is not as easy as writing or as some may wish. The government could by and large be consulting widely on the macro-economic impact the process may have, especially considering the outcome of the Zimbabwean land redistribution strategy in guise of indigenization (Kang’ethe and Serima 2014a; Watcher 2010).

These researchers opine that the true spirit of indigenization may have to see the most of the locals especially the marginalized blacks being the drivers of the land. It could be a panacea of effectuating true indigenisation. However, this must be conducted in a peaceful manner between all the stakeholders, usually the Whites who own the land and the majority blacks who are usually landless. The process need to apply wisdom to avoid the Zimbabwean spinoffs in its 2008 land invasion. However, the land issue in South Africa needs sobriety not to shake the economy of one of the African’s big economic power house.

However, caution needs to be taken to avoid land reform policies being segregative the same way the apartheid regime had made them. They should be inclusive, egalitarian, and reflect the principles of social and economic development such as participation, democracy and consultation. Inarguably, win-win situation route to economic indigenization needs to be bolstered by formalized land rights and enhanced land resources to all the people. This could in turn promote agri-business which will improve the economy (World Bank 2013). Although the South African government has made some commitments to effectuate these reforms, the process appears to be a dragged-out one.

**Using Indigenous Solutions to Local Land Problems**

Since World Health Organization (WHO) has challenged developing countries to go the route of indigenization and seek the solutions to their economic and social problems from their backgrounds (WHO 2002), South Africa is in accord to the advice and has embarked on the process of restructuring the land reforms. Influenced by the World Bank advisers to use the willing buyer willing seller approach to resolve the problem of land inequality, South Africa has nodded to the advice. The Willing buyer willing seller model was adequately used in Brazil (Sikor and Muller 2009). However, copying what was done in Brazil does not guarantee solving South African’s land problems. This is because the environments presented by the two countries may be unique in themselves. The government decided to adopt the strategy as part of its Reconstruction and Development Plan (RDP). This RDP is one of the macro plans of South Africa which is believed to have meaningfully advocated for the land rights of people (African National Congress 1994). It is then critical that the process of RDP in redressing land rights and effectuating its redistribution is poignantly assessed. In collaboration with the RDP ideology, The White Paper Policy of the Department of Land Affairs under the influence of section 25 of the constitution of the Republic of South Africa obligates the willing buyer willing seller approach to land reform (Department of Land Affairs 1997: 38, 95). These processes do not appear poised to accrue meaningful dividends in achieving desirable land reforms. These researchers opine that failure to meaningfully redistribute the land in an equitable way so that the country does not clash with her former masters may not resolve the problems of South Africa. Perhaps this is why the process has taken a snail’s pace. Apparently, the government only appears to pursue land redistribution and reinstitution where people own land as a common property as substantiated by the Common Property Association (African National Association 1994).

The government, therefore, has not come up with a succinct land tenure system. The delay in coming up with meaningful land tenure policies in the post-apartheid could be a result of false advice from outsiders. In fact, land should be redistributed in a way which results in meaningful social and economic development (Dlamini et al. 2013). To this end, Africa should learn a lesson from Europe that developed from its own policies and processes that developed overtime. In these researchers’ contention and belief, it is time for African countries to succinctly follow and ground themselves in taking the route of indigenization. They should look for solutions of their problems in their background and solve land issues with home grown ideas (Kang’ethe 2011; WHO 2002).
Adequate Financial Support and Incentives to the Land Reform before Engaging into Land Reform

Though Rs 6 billion have been offered for land reforms in South Africa, there seems to be inadequate funds for land reform support services such as transport to the market, training and inputs. To this end, the World Bank offers to underfund the land reforms and fund the land reforms services (Lahiff 2008: 37). A deeper analysis of this proves that land reforms cannot be effective without land reform support services. This questions the genuineness of the World Bank on the South African land problem. Underfunding the land reforms and supporting the reform support services, may still not bring meaningful solutions to the problem. In other words, World Bank’s ideas are an extension of capitalism or capitalism in an indirect way. However, it is not only false advice to blame, the problem is on the colonisation of the African’s minds of considering everything from the West as a panacea.

Unbiased Agricultural Market Policies

Inarguably, low agricultural prices discourage people from engaging in agriculture. In order to attract people especially the unemployed youth into the agriculture, the trade has to be attractively profitable. In other words, the government should regulate prices in order to keep local farmers in trade. Farming should be seen to accrue significantly rewarding dividends. For example, South Africa imports chicken from Brazil under the BRICS (Brazil, India, China and South Africa) agreement. Instead of importing agricultural products, the government can stick to local agriculture products so as to promote local agriculture. Such strategies of importing products that can be produced locally kill local production and therefore stifle employment growth in the country. Although such imported products may be cheaper compared to the locally produced ones, it would in the national interests to subsidize local production, or have government regulate the prices so that production of such commodities is given space (Kang’ethe and Serima 2014). In addition to this, when exporting agricultural products, farmers should export products with added value so as to gain more profit. In this way, many people will be lured to undertake agriculture. This is so because some people do not opt for agriculture because it is to some extent unprofitable compared to other forms of trade. If it is made profitable, or have government absorb its shocks in bad times, then people can readily stick to agriculture. The South African should go this route.

Gaps towards the Effective Land Reforms

Conflicts Among Land Users

While people embark on the same farm as a community under the SLAG (The Settlement/Land Acquisition Grant scheme (SLAG), conflicts of interest are likely to occur between various parties involved. Conflicts are especially imminent where under SLAG grant scheme people buy land collectively that they could not subdivide due to the restriction associated with the subdivision of large land holdings (Watcher 2010). Thus, the government should take into consideration the heterogeneity of individuals. For instance, the beneficiaries of land under SLAG grant in Mahlamba Ndlovu in Limpopo Province have registered conflicts surrounding the land they own as a community. This is because the different owners hold different interests. For example some employed people do not effectively participate especially when it comes to offering their labour. By so doing, 41 percent of the beneficiaries were suggesting small scale farming as a solution in such a case. This shows the loophole of the land reform policy which is against subdivision of land (Ramutsindela and Mogashoa 2013).

Inadequate Monitoring and Evaluation

Inadequate monitoring and evaluation hinders effective implementation of the land reforms. Monitoring and evaluation allow implementers to correct or to make some adjustments. This is to reduce wastage of resources on inappropriate programming. However, monitoring and evaluation should be guided by clearly defined goals. In the case of the land reforms, monitoring and evaluation should be linked to the eradication of poverty, placing agriculture on a sustainable development path and reducing corruption among government officials and people who benefit from the grants of buying land. For example, some people use the agriculture funds for purposes which are not linked to agriculture.
Lack of Political Will

Lack of sustained political willingness and commitment to put in place agreed policies and plans for land reforms is the major problem. For instance, the implementation of distributing 30 percent of the land to the landless South Africans that was promised in 1994 has been a dragged out process, or has been moving at a snail’s pace (RDP 1994). The delay, in these researchers’ thinking as shared by other scholars may not be accidental, but probably to avoid any political and economic spinoffs from such a process. Adequate political will is needed among the holders of the land, the ruling party and the opposition parties, if fast tracking of the land reform in a way which will be fare will be achieved. Optimistically, this will close the indigenisation gap in South Africa (Dlamini et al. 2013). Rather than viewing land reform as a means of disinheriting the well established land holders, the process should embrace humanity values in which the current landowners need to understand and consider that the landless South Africa have a right to also own land. The principle of egalitarianism and equity should be the guiding pillar (Segal et al. 2007). On the other hand, the landless should also be considerate to the land holders and not over politicise the land issue.

Laziness and Dependency Syndrome

Some people are lazy and therefore their pace to mobilize meaningful resources may not be guaranteed (Ramutsindela and Mogashoa 2013). Although land has been redistributed to them, unfortunately they are not utilising it. The government has made many efforts to sustain the land reforms, but some people are not keen to productively use the land. They expect the government to continue to sponsor them because of dependency syndrome (Gutura and Tanga 2014). In fact, after a certain period of borrowing money from the government to do farming, a farmer should be self-sustainable. It is a pity that after failing to be sustainable as a result of laziness, farmers turn to paint the government black. The other reason which contributes to this laziness is that some people especially the youth view agriculture as an out dated livelihood venture which is meant for older people. They only believe in formal employment. Perhaps very serious campaigns to sensitize the African youths of the need to undergo a paradigm shift and consider farming as a viable economic undertaking is critical (Kang’ethe and Serima 2014b). Rather than just redistribute land to the landless, the government need to consider some procedures of redistributing land in which only the ones interested in utilizing the land will be considered (Kang’ethe and Serima 2014a).

Ineffective Communication

Poor communication at national, provincial and local levels is also another huddle hindering land reform in South Africa. For example, there is a problem of communication in the department of agriculture between the beneficiaries and the local government on provision of agriculture support services in nine provinces of South Africa (De Villiers 2007: 7). In other words, the involvement of many people complicates the land reform process. It is critical to note that effective land reform requires effective communication which can be effectuated through well-trained field staff, motivated by a reasonable level of remuneration and commitment to the goals of the land reforms (Watcher 2010).

Lack of Participation from the Grassroots

People are not participating effectively in all stages of design, planning, implementation and evaluation of the land reform projects which are supposed to benefit them. The government can come with predetermined development projects to the people which sometimes do not fit the local conditions. This is caused by lack of effective participation of the local people. This could also cause them to lack skills for running the projects. The government does not have to come with projects and fail to train people on them or offer support services. In other words, poor people do not own projects although the government claims that the projects belong to the poor people. In most cases, the government underfunds the support services of such community projects. Hence, in farming endeavours, this hinders genuine indigenisation. This could partly explain why poor people continue to live in poverty despite the initiation of land redistribution policies and schemes (Lundi and Boon 2013).
Such kind of land reform packages which excludes people from participating jeopardise development (Lundi and Boon 2013). True indigenisation allows meaningful participation of people in their own development (Watcher 2010).

CONCLUSION

Dynamics of land reforms on driving economic indigenisation especially among the poorest of the poor cannot be overemphasized. These researchers agree with some contention from some developmental pragmatists who suggest that land reforms which can indigenise the economy in South Africa is possible though not easy. The South African land reform though progressing at a snail’s pace is blamed for operating on a win-lose situation where the poorest are not meaningfully benefiting from the land reform packages. More so, the government is discredited for borrowing some aspects of willing buyer willing seller model of the World Bank which does not promote economic indigenisation to all the people. Immense political goodwill is sufficient to successfully drive the land reform process and therefore economic indigenization.

THE WAY FORWARD/ RECOMMENDATIONS

Succinct Policy Implementation in Land Reform

Theory and reality must be compatible. In other words, land reform policies should be formulated in a way which suit local conditions. Land reform policies need to be formulated after immense consultation with the people from the grassroots so as to meet their needs rather than implementing policies which are incompatible with reality. Also the begging bowl syndrome needs to be discouraged. Perhaps the independence slogan by the first founding charismatic President of Kenya, Jomo Kenyatta, “Uhuru na kazi” that translates that “there is no independence without working” needs to be a guiding pillar to advice the Africans who are not ready to work that what is free does not build.

Political Will

There is need for immense political will if land reform will effectively be implemented. Thus, personal political agendas should be put aside when distributing land so as to avoid distribution of land in a manner which jeopardises both the land holders and the land beneficiaries. However, this will work when land is redistributed in a win-win situation and when all people are committed to put their political agendas aside and work together in indigenising the economy through land reform. Land reform in a win-win situation will reduce the income inequality gap and reverse the dual economy of South Africa which is widening the gap between the poor and the rich people. In short, political will is a necessary ingredient for equitable land reform. An amicable land reform process is important for South Africa so that the country avoids the Zimbabwean kind of implementation of land redistribution that dampened investor confidence. This can result in capital flight since no people are interested in investing in an environment with political instability.

Rethinking the Willing Buyer Willing Seller Approach

There is need for introducing another way of redistributing land instead of adopting some aspects of the willing buyer willing seller approach. Usually when the sellers sell the land, it is usually overpriced in order to discourage the new buyers. This is what has been happening on the ground and has been counterproductive to the success of indigenization process. The government should have a modality of determining the market prices of the land in different areas. Such prices should be arrive at in consultation with the land owners and other quality assurance bodies in the country. Regrettably, the government is pumping out a lot of money under the PLAS where it is a willing buyer of land. For instance, about 6 billion Rands have been used for the land reform. However, the land reform is progressing at a snail’s pace. Considering the shrinking tax base of South Africa, this money could have been used in an efficient way unlike sponsoring false paradigms.

REFERENCES


