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Managing Togetherness: Establishing a Collective-Ownership Farm in the Eastern Cape

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ABSTRACT This post 1994 South African land reform programme has made funds available through the Land Acquisition and Settlement grant system, in order to enable needy black families to obtain access to land. In 1996, a group of 110 such families pooled their grants and purchased two formerly white-owned farms in the Queenstown area of the Eastern Cape. They have elected to run these two farms on a collective-ownership basis. This paper examines their achievements and the social and economic problems that they face in trying to manage themselves as a collective.

INTRODUCTION

In September 1996, a group of 110 black South African families took ownership of two farms in the Eastern Cape. They obtained these two formerly white-owned farms (i.e. Farm A and Farm B, which are 8 kilometres apart) in terms of the R15 000-00 Land Acquisition and Settlement Grant system made available through the Department of Land Affairs and Agriculture. These 110 families pooled their grants, constituting themselves as Trust One (pseudonym). Some 25 families, or their representatives, are currently residing on the two farms.

The South African and comparative international literature on new land settlement, land reform and resettlement has clearly shown that land settlement (which includes people moving onto land as part of a land reform initiative) is a lengthy, and often painful process. It tends to involve settlers going through various social, economic and administrative/managerial stages before they can be regarded as having settled successfully. The majority of cases world-wide results in agricultural failure and social problems. To be successful, land settlement involves the formation of new social ties, the development of a new set of institutions, the generation of a new community (de Wet, 1995; Scudder, 1991). The 110 families involved in the Trust One, and particularly those, which have actually moved onto the two farms purchased by the Trust, are in the early stages of such a land settlement process. This paper documents their situation in attempting to settle and work the land on a collective basis.

A BRIEF HISTORY OF EVENTS LEADING UP TO THE ESTABLISHMENT OF TRUST ONE

Most of the 110 members of the Trust originate from the Sterkspruit/Herschel area. When the Transkei was granted its homeland-style independence in October 1975, the Glen Grey and Herschel districts, which had been part of the Ciskei homeland, were transferred to the Transkei homeland. A number of people from those districts, who chose to remain South Africans, moved into what was then still Ciskei, and thus technically part of South Africa. This gave rise to settlements such as Thornhill and Zweledinga. While the majority of the 110 families of the Trust moved from Herschel/Sterkspruit to Thornhill, some moved to other settlements such as Zweledinga, and to "white" districts such as Burgersdorp, Cathcart and Queenstown.

When people arrived at Thornhill from Herschel in 1975, they were given to understand that the South African government would purchase land for them to move to. This land was not forthcoming, and in 1990 a group of people land-invaded a piece of former white state-owned land, including, for our purposes, the former Endeavour Farm (pseudonym), which is a few kilometres from Farm A. The South African and Ciskeian authorities did not expel them. Some emergency services were provided, and their right to stay there was finally approved in 1994 (Christensen and Gotholdt 1997: 59 and 95).

A number of people on Endeavour, Thornhill and other settlements in the area felt that they wanted additional land for farming, rather than only for residential purposes. Negotiations with the South African Government ensued, with two farms being identified, viz. Farm A and Farm B. The total purchase price of the two farms was R1 425 000-00. The 110 Land Acquisition and Settlement grants of the members amounted to R1.65 million. That left R225 000-00 for development of the land. (As we shall see later, this R225 000-00 is the subject of contention between the members of the Trust and the Department of Land Affairs.)

MEMBERS OF THE TRUST ON THE FARMS

Not all the members of the Trust have moved onto the farms. People still have to build houses for themselves. At present, those people on the farms are staying in the farm houses, old labourer's quarters, and in one case, in a disused squash court; usually, each family as a whole occupies one, or at most, two rooms, with teenage boys sleeping on the floor of the former sitting room. Up to ten people may be associated with, if not always sleep, in a single room.

Those people who actually moved onto the farm chose to do so at a meeting held at Endeavour. Many members who had jobs or other business concerns did not want to move. Some influential members of the Trust, who are on the key committees of the Trust (including the Chairman of the Trust Executive Committee) are not currently living on the farms.

Of the 25 families/representatives/workers on the farms, there are 16 families, 5 representatives of families (i.e. members of the Trust whose families stay in Thornhill or elsewhere while the representative works on the farms during the week, until such time as houses have been constructed on the farms), and 4 workers, who herd the animals of members of the Trust not living on the Trust. Three of these workers stay alone on the farms, while one has his family with him.

Eleven of the 21 families which are members of the Trust and have members on the Trust farms have 16 jobs between them, while eight families have 11 pensions between them. None of the families of the four workers have access to either jobs (other than their herding jobs on the farms) or pensions. Of those 21 families:

- ten have a total of 56 cattle;
- four have a total of 84 sheep (of these, two members have 52 and 28 sheep respectively);
- fifteen have a total of approximately 250 goats (of these, two members have 45 and 55 goats respectively). None of the four workers owns any livestock.

TRUST ONE AS A COLLECTIVE UNDERTAKING

Members of the Trust display a strongly-held collective vision about the Trust, seeing it as a venture which is to be collectively owned and run by its members, with income from the farms going into a joint Trust fund, and with profits (when they finally come) to be divided equally among the members.

This is not simply an idealistic vision, as members are trying to implement it in the way they run the farms. Each member was required to pay a Joining Fee of R1 000. Consequently, some R47 100 was raised from Joining Fees, which was paid into a Trust bank account. The Trust also undertook a fundraising initiative, lending out money (presumably from the Joining Fees) at 20 per cent per month (!), and from July 1995 to August 1996 (i.e. just before the Trust took possession of the farms) R28 850-00 was raised in this manner - which likewise went into the Trust account. This money was used for Trust expenses, such as the purchase of seed and equipment, and the payment of telephone and electricity accounts. The loan scheme has subsequently been discontinued because the balance in the Trust account has been decreasing, possibly because of default on loan repayments.

Cultivation is collectively organized, with income from sales of crops going into the Trust current account. It is taking time to develop the planning/administrative capacity and confidence to organize cultivation and to overcome the ubiquitous shortages of transport, equipment, labour, skills and finance in order to get production going effectively. Nevertheless, between February 1997 (when sales appear to have started) and

August 1997, the Trust sold crops to the value of R14 400-00 (as best I can make sense of the records).

While livestock are as yet individually owned, members are looking to build up a Trust herd, with various people suggesting that livestock owners should each donate a beast to the Trust herd. They have recently begun to put the money from milk sales into a Trust fund. Dipping fluid is jointly bought with livestock owners each contributing a fixed, equal amount.

At present, there is a high degree of idealism and commitment behind this collective ideal, although it is also beginning to show signs of pressure. Those people living on the farm do the great majority of the work on the farms, with off-farm members doing very little. Those on the farm are not paid anything for their work. When I asked about the possible discrepancy, I got idealistic type answers, such as "we share income equally - there are no problems - we work equally", or "No, we are not paid - our members are volunteers - our members will get their shares at the end of the day", or simply "We are a Trust". While people realize that the time will come when those who work more will have to be paid something, the claim is that at present, it doesn't matter, because "we are still settling in".

At present, three members (two on the farms and one off) provide most of the transport for members to travel between farms, to attend committee meetings, to attend school, etc. For the most part, they pay these costs out of their own pockets, except for bona fide Trust business, like going to see lawyers about the title deeds, or to buy equipment, when the Trust will sometimes pay them for a tank of petrol. Parents pay the vehicle owner who ferries the children to school, every day. But, for the rest, these three vehicle owners provide free transport to members of the Trust.

There are various possible reasons for this strong collective approach:

1) Many of the Trust members have come from the same area and have a range of kinship ties to each other. They have moved together several times - to Thornhill and surrounding settlements; then to Endeavour; then to the Trust farms. All of these moves have been voluntary, which shows initiative on their part, and moving together several times would, progressively, have made for a smaller, and more tightly integrated group, amongst whom a high degree of trust seems to have developed. The community at Endeavour were deeply divided as to whether to move to the Trust farms or not - which again would have heightened solidarity between those who had to make the choice to break with people with whom they had common origins and with whom they had moved twice before, and with whom they would now move on into a new, risky undertaking.
2) The Land Acquisition and Settlement Grant System encourages people to form group ventures such as Communal Property Associations and to stick together (S.A. Government 1996). Members of the Trust do not seem entirely confident that they are fully at liberty to do as they like with their farms. People may think that the collective approach is what is expected of them by the government.
3) A collective needs to deliberate and discuss more about the spending of money than does a disparate collection of individuals who happen to live on the same area of land and each have their own portion of the land and the money. The collective approach is better calculated to prevent Trust funds and income from the farms being frittered away on personal matters. At present, members pay for their own household costs, receiving no income from the Trust. Were the income from the sale of crops to be split up among members, it would not last very long.
4) Land-focused NGOs have been closely involved with these and other settlements seeking to acquire land. These settlements received assistance from, and were mobilized and to a significant extent, socialized in the politics of land acquisition by these NGOs. A number of these NGO workers have over the years pushed a loosely defined collective/communal ethic, in an energetic and not always very nuanced fashion (see Land Update over the last ten or so years). Close - and at times dependent - relationship with representatives of such NGOs may well also have contributed to the collective approach on the part of

members of groups such as Trust One.

By November 1997, fifteen months after the Trust had taken possession of the farms, the collective ideal was, however, already beginning to show signs of possible weakening. Three cases will illustrate this:

1) The Executive Committee of the Trust had procured the services of a skilled person to repair the broken windmills on the farm. It was thought a good idea that several young men of the Trust could benefit from being trained by him. However, they wanted to be paid for undergoing the training - something that the Executive was not prepared to do.
2) A member of the Trust had been making his tractor available for ploughing fields on the farms. When he submitted a claim for payment, members of the Executive expressed surprise. "When we let him plough ... I didn't think that he would expect us to give him money [because] he is a member". The Trust is now paying him in instalments, and the incident shows that there are different views as to what precisely a collective undertaking should involve.
3) By November 1997, people were increasingly accepting that a differential system of payment or division of profits should be devised, with those who live and work on the farm receiving proportionately more. All members are clearly not equal in an unqualified sense.

The collective approach clearly has implications for management as well as productivity on the farms.

MANAGEMENT AND ORGANISATIONAL ASPECTS OF THE TRUST

The Trust is run through a number of committees, rather than one or a few individual managers. People emphasize the importance of discussion, consultation, persuasion, of 'unity' - which seems related to the collective approach. Thus, "the Chairman of the meeting is there only to run the meeting, not to sway opinion; we need a discussion - all as equals - we can vote if there are differences". And again, "we are always united - if we see a problematic issue, we don't pursue it - we avoid such issues - people will come back to us [when they have sorted things out]". The committee structure of the Trust is as follows: At the lowest level are the Development Committee and the Livestock Committee. The Livestock Committee looks after the grazing camps, fixing fences, seeing to it that the windmills are working and that there is water, ensuring that cattle, sheep and goats are dipped once a month, that bulls are obtained for the Trust. The Development Committee is concerned mainly with cultivation, deciding what should be planted where, and overseeing the various activities that go with it.

At the middle level, is the Trust Executive Committee, which is the committee that effectively runs the Trust. The Development and Livestock Committees report to it, and it is responsible for the overall administration of the Trust, including purchasing of equipment, organization of residential sites on the farms, administration of finances, and payment of accounts. While people suggest that it should not overrule the Livestock or Development Committees, all important issues are discussed, and decisions made, by the Executive.

At the (theoretically) highest level of the decision-making hierarchy, is the General Meeting, which consists of the 110 members of the Trust. The General Meeting is supposed to make the final decisions about matters relating to the Trust - but in practice, it seems to function as a rubber stamp for the Executive Committee - not least because of the practical problems of getting the widely dispersed members together for (what should be) monthly meetings.

The composition of the committees is as follows:

	Members	*Male*	*Female*	*On-Farm*	*Off-Farm*
Development	(7)	5	2	5	2
Livestock	(8)	6	2	5	3
Executive	(10)	6	4	5	5
Totals	(25)	17	8	15	10

There is not much overlap in membership: one man is on both the Development and the Livestock Committees, and one woman is on both the Development and the Executive Committees. My research, and the meetings I have attended, suggest that there are something like eight people on these committees who are the influential, leadership figures. Of these two are female and six male, with two of those men being off-farm members. These influential people are not necessarily in the official positions of leadership in the Trust committees. One off-farm man in particular, shows real managerial capacity and the ability to analyze issues, and is probably the key figure influencing the way things go at meetings of the Executive.

The present management system has a number of problems. Firstly, office-bearers on the committees, and members of the Trust are scattered. The Chairman and the Secretary of the Executive live in Endeavour and Thornhill respectively, while the Vice-Chairman and the Treasurer both live on Farm B. The co-ordinator of the Development Committee lives some twenty kilometres away, while his counterpart on the Livestock Committee lives on Farm A. This makes the planning and co-ordination of meetings difficult, especially in view of the fact that transport is very limited, and that Farm A does not have a telephone - a situation which applies to many members in settlements like Thornhill, Zweledinga, etc.

To give an example: at its meeting on 17 June 1997, the Executive Committee decided to cancel the General Meeting scheduled for 21 June 1997. Two of the key decision-makers (including the Vice-Chairman of the Executive Committee) had not known about the change, and several people had come from Zweledinga for the meeting. A bona fide General Meeting was attended by some ten members. The problems of transport and communication which arise from the dispersed nature of the membership, create problems for the efficient running of the Trust.

Secondly, at present, it is effectively only those who stay on the farms who are providing labour for the farming enterprise. As one member of the Executive Committee put it: "we have never worked out a mechanism of how to link outside and on-farm members". When the irrigation system on Farm B (which was broken when they moved onto the farm in September 1996) is finally repaired, and more widespread irrigation becomes possible on both farms, more labour is going to be needed than can be supplied by those currently on the farm (a number of the labour force are old) can probably supply.

In the short-term, this is a managerial problem - how to get off-farm members involved. In the medium to longer term, it will only be solved as members build houses for themselves and move onto the farms. This will depend upon individual families having the necessary money to build basic houses, as people talk of serviced houses built of brick with raintanks. It is therefore going to take some years before there is a stable population and labour force on the farms.

Thirdly, financial records and the minutes of meetings are conscientiously, if not always systematically or comprehensively, kept. Consequently matters are not always clear. Records are kept in various books and on sheets of paper. Several people, as well as the official secretary for the relevant committee, seem to keep minutes - some of which are in English and some in Xhosa, some in considerably greater detail than others, and some not always in chronological order.

Fourthly, the emphasis on unity, consultation, equality of participants, the collective approach, complicates the decision-making process. The distance/transport/communication problem means that people do not get to meetings and that decisions may have to be put off/ delayed. The emphasis on unity means, as one member puts it, that "we need to give people enough time to think about issues - otherwise they won't go along with decisions. Some members are old - we need to take time for them to understand; you can't push old people". Decisions get put off while old people, a number of whom have limited education, familiarize themselves with issues and work them through.

"To maintain the unity, that is our interest". The price of such unity may however be the approval of bad decisions. Many members of the Trust are scared of borrowing money from the commercial banks, arguing that if the Trust has a bad year or two, and cannot repay the loan, the banks will repossess the farms. The Trust's reserves, accumulated from Joining Fees and fundraising through high-interest loans, are diminishing. This may be attributed to the fact that production is not yet up to speed (after only one year on the farm), and/or to losses through defaulters on the loan scheme. Capital is needed to get production going. The more progressive members, who see the need to go to the banks, find themselves hamstrung by the combination of fear and the pressure for unity. Members are not yet ready to take high-risk decisions, with the added risk of sacrificing what they see as unity. One of the leadership group suggested in a private discussion that the Executive Committee were divided on whether to borrow from the banks or not. When I put the leading comment to him that 'at meetings I see people trying to avoid making decisions', he agreed (whether out of politeness and/or out of truthfulness).

It is not surprising, therefore, that various members are voicing their dissatisfaction with the Executive Committee which they argue is lacking in effective control of the administration of the Trust, does not plan ahead, and does not give direction. The more percipient members of the Executive Committee are keenly aware of these problems. Given the constraints discussed above, there seems very little that they can do about them - unless management style changes.

There have been attempts to change the management style on the Trust. In January 1997, X was selected to be "Administrator-General", to control the farms' affairs. However, this fell foul of the collective ideal, as X subsequently took a government job. The Trust had not paid him a salary, as "we members, we don't take pay - I work on the farm, and I don't ask for pay – it's voluntary, no pay!" The official faith in the collective approach remains: "the committee is doing the job - no problem".

Recently the need for a manager has again been stressed, and someone's name has been put forward. If other names are put forward, the matter will be decided by the vote at a General Meeting. It has been suggested that there might also be a deputy manager, so that both farms would each have a manager. I do not know what the current thinking is on remuneration of the manager/s.

WHOSE LAND IS IT ANYWAY?

While members of the Executive Committee argue that the farms do in fact belong to the Trust - the title deeds are evidently with their lawyers in Grahamstown - messages allegedly coming from government sources serve to create uncertainty in this regard. Members of the Trust may accept that the farms belong to them, but the following cases suggest that it is not clear that they themselves are as confident that they are in charge of the farms and their administration:

1) There is the unresolved dispute around the "surplus" money from the R1.65 million Land Acquisition and Settlement Grant. The Department of Land Affairs has told the Trust that they may submit motivations for the use of the remaining R225 000-00, but that it is not theirs by right. If the government tells them what they may or may not do with money – where the actual wording of the documents could be read as suggesting that the money has in fact been awarded to the Trust - then whose money and by extension whose land, are members of the Trust to believe it is?
2) People on the Trust argue that initially they had wanted 652 members to belong to the Trust - but that Land Affairs argued that they should increase the number to 110 (presumably to raise the necessary money to purchase the farms). The Trust complied.
3) The 'government', after arguing that they should increase the number of members, allegedly told them that they should limit the numbers of people actually living on the farms. After negotiations, a number of 32 families were agreed upon - evidently less than the Trust wanted.
4) According to members of the Trust, Land Affairs has also tried to tell the Trust how many houses should be built on each farm on the newly demarcated sites.

These suggestions/interventions on the part of the Department of Land Affairs serve to make people question who is in charge of the farms. Some members suggest that it is because of Land Affairs' restrictions on the number of people on the farms that they are not already living on the farms.

This kind of uncertainty is conducive neither to confident and independent decision-making, to planning, nor to investment - and therefore serves as a constraint on production. It would seem to be related - on the part of both the Department of Land Affairs, as well as of the Trust members - to the fact that the government paid for the farm, and require the members of the Trust to organize themselves in specific ways in order to qualify as beneficiaries.

VIEWS ON LAND REFORM

Members of the Trust - both male and female - seem to have fairly parochial views on land reform, which is seen as being about "developing all the people"; "to help the people – development"; "development for the blacks"; "to market crops, to herd livestock".

People do not seem to be thinking of alternative ways of organizing land reform, or of changing their collective type situation. "The Trust is a good way to organise land reform - it is the best way - the government buys the land - we don't have to rent or hire the land"; "We think the Trust is a better way - it not only gives land redistribution, but it also allows people to work for themselves"; "Giving/moving land by the Trust approach is the best - on the Trust, if we are without a fence, it is our responsibility".

While members still look to government to help them with money and other forms of assistance, there is also the awareness that "if government gives land free, there will be problems, as people won't work". There is also the awareness of potential problems in the collective approach: it's natural that wherever people work together, there will always be those who drag their feet - they must get less than the others'.

THE ROAD AHEAD

Trust One clearly has a number of organizational problems to overcome - some of which seem directly related to the collective way in which their land grants were originally organized and in which they choose to run their own affairs. It is, however, not remotely in the same boat as Trust Two (a pseudonym for a similar Trust farm in the Eastern Cape), which does not seem to have developed any significant organizational capacity, where effectively no production has taken place, where the Trust is in debt, the water supply system has collapsed, and electricity and telephones have been switched off - and where there seems little motivation to make things work (Wotshela, 1997).

While the reserves in the bank account are decreasing (which I suggested earlier may at least in part be a temporary state of affairs related to settling in), Trust One is in the black, is selling crops, and has recently repaired its water system. It has one functional tractor, is having its second tractor repaired, and is in the process of acquiring second-hand equipment for harvesting and baling lucerne. Those members on the farm work hard for their "dream", as they put it. I have seen organizational capacity and realism developing during my field visits from June to November 1997. Successful land settlement is, after all, a process that builds up over time. I may be too fresh in the field (the equivalent of 5 weeks of fieldwork) and initially too fond of my informants, to have developed the necessary distance. However, I would venture that, while the evidence from Zimbabwe and elsewhere (e.g. Akwabi-Amayew 1990) would seem somewhat stacked against collective agricultural enterprises, Trust One would seem to have a reasonable chance of success - particularly as it is now seriously looking to move towards an individual managerial model, and as a very capable candidate is available.

One can and should ask questions about the state's inadequate performance in providing essential backup assistance, particularly during the starting-up years. Our concern here is, however, with the relationship between the collective approach and the management of the enterprise.

Issues which the new management is going to have to confront - at the risk of violating the unity that members claim to value so highly - include:

1) Drawing up a business plan for the next few years. This will be necessary for obtaining loans from commercial banks
2) Setting up a training programme - which will mean favouring some members at the expense of others
3) Confronting members' fears of borrowing money from commercial banks, lest they default and lose the land
4) Deciding about the relative autonomy of the two farms, which are 8 kilometres apart. With a shortage of transport, they may best be run separately - again at the risk of unity

5) Clarifying the relative rights and obligations of on- and off-farm members - not least when it comes to paying wages or dividing up income
6) Establishing a balance between private and Trust interests on the farms. Members who graze their individually - owned herds on a common resource, or who might lease Trust land for cultivation or grazing, are involved in potential conflicts of interest. Thus, "Trust Two [has become] a livestock breeding centre, utilized as a distant commonage with most of the livestock owners settled elsewhere" (Wotshela, 1997: 9).

If Trust One is able to put a more individualistic and effective management in place, that is able to command the loyalty and hard work of its members, then it may well happen that, in the words of one of the more energetic and entrepreneurial Executive Committee members: "we will surprise them".

NOTES

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2 Documentation talks of "the original 50" (correspondence in the files of the Department of Land Affairs, East London, April 1996).

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