



UNIVERSITY of the
WESTERN CAPE



PLAAS

Institute for Poverty, Land and Agrarian Studies

ELITE CAPTURE REPORT

ELITE CAPTURE IN LAND REDISTRIBUTION IN SOUTH AFRICA

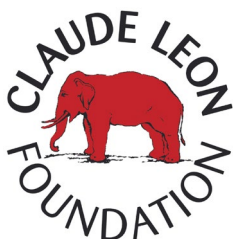
PLAAS RESEARCH REPORT No. 55

Farai Mtero, Nkanyiso Gumede
and Katlego Ramantsima

Research Report 55

ELITE CAPTURE IN LAND REDISTRIBUTION IN SOUTH AFRICA

Farai Mtero, Nkanyiso Gumede and Katlego Ramantsima
December 2019



Published by the Institute for Poverty, Land and Agrarian Studies, School of Government, Faculty of Economic and Management Sciences, University of the Western Cape, Private Bag X17, Bellville 7535, Cape Town, South Africa.

Tel: +27 21 959 3733
E-mail: info@plaas.org.za

Website: www.plaas.org.za

Institute for Poverty, Land and Agrarian Studies Research Report no. 55

ISBN: 978-0-86808-768-9

December 2019

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means without prior permission from the publisher or the authors.

Authors: Farai Mtero, Nkanyiso Gumede, and Katlego Ramantsima
Copy editor: Anneke Brand
Series editors: Ruth Hall and Ben Cousins
Printers: Infoco
Typeset in Aileron

ACKNOWLEDGEMENTS

We owe a debt of gratitude to several individuals, institutions, and the land reform beneficiaries who generously took part in and supported this research.

The authors of this research report benefitted immensely from the wisdom and intellectual contributions of Professors Ben Cousins and Ruth Hall, and Dr. Donna Hornby, all from PLAAS. They made up a small 'working group' which supported the researchers throughout the duration of the research project. Robust engagements, constructive critiques and collegiality characterised the many project meetings. We take this opportunity to express our deep thanks to our colleagues for the sustained support and collegiality.

Mnqobi Ngubane, a PhD candidate at PLAAS also played a key role in negotiating access and conducting fieldwork in the Free State leg of the research. We are grateful for his contribution.

On the 5 March 2019, we presented our preliminary findings to a broader audience in a PLAAS seminar. We would like to thank PLAAS colleagues, students, members of the broader university community, civil society organisations (CSOs) and government officials who attended the seminar and contributed to the rich discussions.

We thank the support staff at PLAAS who ensured that everything ran smoothly from the time the project started up to the final phases. A special thanks goes to Ursula Arends, Esté Beerwinkel, Joy van Dieman, Babongile Malama, Donovan Delpaul and Trevor Reddy. Ursula and Esté played key roles in overseeing the editing and production of this research report.

Cultivating a sustained collaboration, and partnerships with CSOs—mainly in the land sector and its related fields—was a fundamental aspect of the research. We would like to thank our partners in the civil society sector who contributed immensely in the different phases of the research project, and who also took part in the various public engagement meetings—notably the Association for Rural Advancement (AFRA), Alliance for Rural Democracy (ARD), Tshintsha Amakhaya, Siyanqoba, Ntinga Ntaba kaNdoda, Border Rural Committee (BRC) and the Legal Resources Centre (LRC). Other organisations also represented in some of our public engagements include the Public Accountability Research Institute (PARI), the Eastern Cape Socio-Economic Consultative Council (ECSECC) and Afesis Corplan. We thank them for their inputs and participation.

We extend our gratitude to officials from the Provincial Department of Rural Development and Land Reform (DRDLR) in the Eastern Cape, the Free State, KwaZulu-Natal, North West and the Western Cape for taking part in this research. The officials generously shared their experiential knowledge and insights on policy processes, land reform delivery prospects and challenges in South Africa.

We thank Professor Michael Aliber from the Agricultural and Rural Development Institute (ARDI) at the University of Fort Hare and one of his students Onele Mashiq who assisted with the Eastern Cape leg of the research. We also thank William Linkoana, Matisse Janda, Nompumelelo Kubheka, Ndabe Ziqubu, Noluthando Tikilili, and Phumzile Matikinca for their help with fieldwork.

This entire research project would not have been possible without the financial help of the Social Justice Initiative, the Millennium Trust and the Claude Leon Foundation. We take this opportunity to extend our profound gratitude to these organisations for providing funding for the 'Elite Capture in Land Redistribution in South Africa' action-research project.

CONTENT

Abbreviations and Acronyms	v
Executive Summary	6
1. Introduction	8
2. Research design and process	20
3. Basic descriptive characteristics on land use and size, tenure status and recapitalisation	23
4. Patterns of accumulation in rural and land reform contexts	32
5. Beneficiary targeting within the SLLDP	39
6. Institutional arrangements and processes in redistributive land reform	58
7. Mechanisms of elite capture in redistributive land reform	60
8. Political economy analysis of elite capture	61
9. Key actors in the land reform delivery process	63
10. Strategies of elite capture of resources in redistributive land reform	65
11. Findings	78
12. Policy implications	79
13. Conclusion	84
14. References	86
List of Tables	
Table 1: South Africa's post-apartheid land reform policy cycles (Hall, 2012)	18
Table 2: Statistical data on the different land redistribution projects in South Africa	21
Table 3: Study sample of SLLDP projects (n =62)	21
Table 4: Eastern Cape, Amathole district municipality list of farms	26
Table 5: North West, Dr Ruth Mompati district list of farms	27
Table 6: Free State, Xhariep district municipality list of farms	28
Table 7: Free State, Lejweleputswa district municipality list of farms	29
Table 8: Western Cape, Cape Winelands and West Coast district municipalities list of farms	30
Table 9: KwaZulu-Natal, uMgungundlovu district municipality list of farms	31
Table 10: Trajectories of accumulation amongst the SLLDP beneficiaries (n =62)	35
Table 11: Different categories of farmers identified in the SLLDP (DRDLR, 2013:13)	39
Table 12: Lead agents in land identification and accumulation trajectories (n=62)	43
Table 13: Legal entities registered by SLLDP farmers and accumulation trajectories (n=62)	44
Table 14: Gender distribution of SLLDP farmers across accumulation trajectories (n =62)	45
Table 15: Average size of land held by SLLDP farmers in different accumulation trajectories (n=62)	46
Table 16: Land use activities on SLLDP farms with different accumulation trajectories (n =62)	47
Table 17: Tenure status of farms with different accumulation trajectories (n=62)	48
Table 18: Rental payments by SLLDP farmers in different accumulation trajectories (n=62)	52
Table 19: Production support for SLLDP farmers in different accumulation trajectories (n=62)	54
Table 20: Employment figures for farms in different accumulation trajectories (n=62)	56
Table 21: Farm worker beneficiaries within SLLDP (n=62)	57
Table 22: Farm worker and other SLLDP projects in different accumulation trajectories (n=62)	58
Table 23: Different actors involved in the land reform delivery process	64
Table 24: Key insights from the High Level Panel of Parliament Report (2017), the Presidential Advisory Panel on Agriculture and Land Reform Report (2019), and the PLAAS Elite Capture in Land Redistribution Research Report (2019)	77
Table 25: Research evidence and key policy implications	82
List of Figures	
Figure 1: Map showing the 5 provinces and the seven district municipalities (John Hall, 2019)	25
Figure 2: Letter showing the escalation of rental payments	51
Figure 3: Letter of demand for outstanding rent	53

ABBREVIATIONS AND ACRONYMS

ADA	Agribusiness Development Agency
AFASA	African Farmers Association of South Africa
BEE	Black Economic Empowerment
BSC	Beneficiary Selection Committee
CASP	Comprehensive Agricultural Support Programme
CPA	Communal Property Association
DAFF	Department of Agriculture Forestry and Fisheries
DBSC	District Beneficiary Selection Committee
DLRC	District Land Reform Committee
DRDLR	Department of Rural Development and Land Reform
HLP	High Level of Panel
IDP	Integrated Development Plan
LRAD	Land Redistribution for Agricultural Development
MEC	Member of Executive Council
NEPRO	National Emergent Red Meat Producers Association
NDP	National Development Plan
NLARC	National Land Allocation and Recapitalisation Committee
NLARCC	National Land Allocation and Recapitalisation Control Committee
OVG	Office of the Valuer-General
PLAS	Proactive Land Acquisition Strategy
PTC	Provincial Technical Committee
RECAP	Recapitalisation and Development Programme
SADT	South African Development Trust
SEDA	Small Enterprise Development Agency
SLAG	Settlement and Land Acquisition Grant
SLLDP	State Land Lease and Disposal Policy

EXECUTIVE SUMMARY

The research on elite capture in land redistribution in South Africa was conceived against the background of a significant decline in systematic research on land reform outcomes. Data on land reform outcomes and more specifically, evidence on who has been benefiting from South Africa's land redistribution, is generally poor. A few systematic studies on land reform have highlighted a profound shift in the land reform class agenda. Initial research by Hall and Kepe (2017) in the Eastern Cape revealed that the pro-poor precepts of land reform have increasingly been abandoned in favour of commercial success. Elite capture of public resources in land reform is also on the rise (Lebert and Rohde, 2007; Cousins, 2013; Kepe and Hall, 2017).

Currently, land reform beneficiaries access land through the leasehold system, initially introduced through Proactive Land Acquisition Strategy (PLAS) in 2006, and operationalised through the State Land Lease and Disposal Policy (SLLDP) in 2013. The government introduced a new and revised SLLDP in 2019.¹ This research specifically focuses on land reform projects commonly referred to as PLAS farms but are leased to beneficiaries on the basis of the SLLDP. Accordingly, we refer to these projects as SLLDP farms in line with the SLLDP which outlines the terms on which the state may agricultural land to land reform beneficiaries.²

Our research for this report sought to deepen our understanding of elite capture and to provide a more comprehensive picture of how elite capture unfolds in land reform. The key overarching questions framing this report include the following: who has benefited from South Africa's land redistribution? Who have

been the winners and losers in land redistribution and why? What are the criteria for beneficiary targeting and selection? These are significant questions especially considering the increasingly narrow policy vision of land reform. The narrow policy vision has been evident in the emphasis on targets for land redistribution while neglecting key questions on the class agenda of land reform. Over time, the government has also placed greater emphasis on viable business plans, production targets, enhancing economic returns and profitability at the expense of social justice and equity imperatives. This research shows that the net effect has been to redirect state resources originally intended for the poor, to the better-off.

This research report is based on intensive fieldwork in seven selected sites in five provinces of South Africa, namely the Eastern Cape, Free State, KwaZulu-Natal, North West and the Western Cape. The research team conducted fieldwork over a period of seven months, from May to November 2018. The research team investigated 62 SLLDP projects across the five provinces. We gathered data on land identification, beneficiary selection, production, livelihoods, employment outcomes, tenure security and lease arrangements on 62 SLLDP farms. We categorised the farms into five different accumulation pathways (Scoones et al., 2010; 2012). Some farms had 'dropped out' of production (10%) while others were struggling and merely 'hanging in' (16%). There is a proportion of SLLDP farms that were 'accumulating through re-investment' of farming proceeds (19%). Nearly half of the 62 farms (44%) were allocated to wealthy beneficiaries diversifying into farming by

1. A new SLLDP was signed in March 2019. However, the introduction of the new SLLDP in March 2019 was done without any public consultations. At the time the SLLDP was signed, it had not been publicised or advertised and had not been made available online. The policy was also not shared with the land reform beneficiaries.

2. 'PLAS farms' is the commonly used term to refer to all the land reform farms acquired since the adoption of the PLAS in 2006. However, this research report specifically uses such terms as 'SLLP farms', 'SLLDP beneficiaries' to foreground the operational SLLDP which governs how agricultural land is leased to land reform beneficiaries. Initially adopted in 2013, a new SLLDP has since been adopted in 2019. Referring to the SLLDP, the DRDLR (2013) noted that "this policy replaces all existing policies on the leasing of immovable assets of the Department of Rural Development and Land Reform. It also takes the precedence over any other departmental policy that contains any provision on leasing immovable asset". See http://www.ruraldevelopment.gov.za/about-us/268-latest-news/492-state-land-lease-and-disposal-policy-25-july-2013#_XblmbugzZPa

'stepping in' (Hall et al., 2017) with their resources. In some cases, accumulation was a result of privileged access to recapitalisation and production support (11%). Data from this research study reveal that:

- A large proportion (81%) of the SLLDP farms investigated in this research study were allocated to men.³ Women are underrepresented amongst the land reform beneficiaries in this research and constitute 19% of the beneficiaries leasing land from the state.⁴
- More importantly, nearly half of the farms allocated to men are being leased by well-off men who are diversifying into farming by 'stepping in' (Hall et al., 2017) with their own resources. These are often urban-based businessmen, traders and rural transport operators with significant investments outside of farming.
- Only 18% of the farms were allocated to farm-workers. In contrast, 82% of the farms were allocated to other types of beneficiaries especially those with economic and political influence.
- At least R428 million was spent on buying 40 of the farms (those for which data on the purchase price was available). About 54% of these funds were spent on farms where the state has issued leases to the beneficiaries.
- However, over R196 million (or 46%) of the R428 million was spent on purchasing farms that did not have valid leases at the time of the research. Substantial amounts of state resources are spent on land acquisition without commensurate efforts to secure the rights of bene-

ficiaries. Significant resources have been used to purchase land where the state has not issued any leases, as required by policy. These farms have thus not actually been legally redistributed, in the sense that property rights to them have not been transferred, since the intended beneficiaries have no secure land rights or leases to confirm their occupation of the land.

Findings from this research reveal the skewed distribution of resources in land redistribution in favour of well-off beneficiaries. This is attributable to policy biases which prioritise commercial success as an overriding goal in land reform. Well-off beneficiaries (urban-based business individuals, taxi or transport operators, former state bureaucrats and local politicians) with access to material resources, knowledge and information, often qualify as beneficiaries. State bureaucrats and the politically powerful often capture resources in land reform through the following practices: the soliciting and payment of bribes, 'double-dipping' (Hall, 2019 pers. comm.), fronting, the imposition of politically-connected beneficiaries and bailing out politically-connected people. State bureaucrats have, in some cases, withheld leases and threatened non-compliant beneficiaries with eviction. Agribusinesses also engage in 'farm flipping' (Hall, 2019 pers comm), the imposition of strategic partners and mentors, capturing of value in the agro-value chains, prioritising high-value crops at the expense of multiple livelihoods, and failing to declare dividends.

Some key recommendations are identified in this research report: a new land reform law to operationalise

3. Out of the 50 (81%) farms that are being leased by men, there are 9 farms that are being leased to pre-existing groups (farm workers and community co-operatives) that are led by men. These men did not access the farms as individuals beneficiaries but are the merely leaders of the groups.

4. Out of the 12 (19%) farms allocated to women, 2 farms were allocated to two pre-existing groups (one community cooperative and a farm workers' group) that are led by women. These women did not access the farms as individuals but are merely the leaders of the groups

equitable access to land, promoting a demand-driven process, the need for decentralised land identification processes, fostering a shift in the class agenda of land reform, rationing the expenditure of public resources in land redistribution, ensuring transparency in beneficiary targeting and selection, a need to re-think the leasehold system in land redistribution and ensure tenure security, developing stringent monitoring and

evaluation of land reform programmes to enhance land reform governance, reconfiguring land reform institutions to ensure greater coordination between land reform and agriculture components, broadening the policy vision beyond expropriation without compensation, and reviewing the role of agribusiness and the private sector in land reform.

1. INTRODUCTION

To understand who has been benefiting from land redistribution is one of the most relevant yet neglected questions in contemporary South Africa. Land reform was launched in the 1990s as a programme intended to reduce poverty, and exclusively targeted poor households. This programme was known as the Settlement/Land Acquisition Grant (SLAG), and primarily focused on poor social groups. According to Hall and Cliffe (2009), “the targeted groups were defined as the landless, labour tenants and farm workers, ‘women and the rural poor’ as well as ‘emerging farmers’, all of whom were subject to a means test to show their need and thereby qualify as eligible”. The ‘means test’, like the housing subsidy, reserved state subsidies for those households with incomes below R1 500 per month. During the Mbeki administration period, this focus shifted towards focusing on emerging commercial farmers (Hall, 2004). The government adopted the Land Redistribution for Agricultural Development (LRAD) as the primary land redistribution programme. At this stage, the ‘means test’ was removed and more emphasis was placed on the ‘commercial use of transferred land’ (Hall and Cliffe, 2009). Instead of targeting the poor, the programme now explicitly favoured those who had their own capital to invest in new farming ventures, and offered higher

levels of state subsidy to them – initially up to R100 000 per individual, and later approximately half a million Rand per person – while offering more modest ‘food safety nets’ to the poor (Hall, 2010).

Subsequently, the government adopted the PLAS programme which has intensified the quest for commercialisation in land reform. According to Hall (2012), PLAS was conceived in 2005 and implemented in 2006 during the Mbeki administration following a cabinet reshuffle when Ms Lulu Xingwana took over from Ms Thoko Didiza. PLAS was initially an adjunct of LRAD, but became the primary mechanism for land redistribution during the Zuma administration, under Minister Nkwinti in the newly created Department of Rural Development and Land Reform (DRDLR) (Hall, 2012). In 2012, PLAS was to become the only mechanism for land redistribution in South Africa. A distinctive feature of PLAS is that land reform beneficiaries are not given land ownership rights, but lease land from the state. The state also directly purchases land as opposed to allocating grants to beneficiaries so that they can directly purchase their own land (Hall, 2012).

In 2013, the government adopted a new policy, the SLLDP which initially sought to operationalise PLAS but has since become the flagship land redistri-

bution programme.⁵ The main critique against SLLDP which also applies to its predecessor, PLAS, is that the Minister has sweeping discretionary powers to determine land acquisition and resource allocation (Kepe and Hall, 2016). State officials have discretionary powers to determine “which land should be acquired by the state, whether it should be transferred or leased, and if so to whom and on what terms” (Hall, 2012:25). Various analysts have argued that there has been failure in both PLAS and subsequently the SLLDP to ensure an inclusive land redistribution programme which caters for the needs of the poor social groups (Aliber et al., 2013; Kepe and Hall, 2016; Hall and Kepe, 2017).

In 2019, the DRDLR (2019) made significant changes to the SLLDP in the midst of significant political processes namely the Parliamentary process to amend the Constitution to allow for expropriation without compensation and the consultative processes of the Presidential Advisory Panel on Land Reform and Agriculture. Thus, the new SLLDP has not benefitted from public consultations and has happened in parallel to the Presidential Advisory Panel consultations and the Parliamentary process to amend the property clause in the Constitution. This is in spite of the fact that the new policy has significant implications on who will get land and also introduces changes to the leasehold system in land redistribution (DRDLR, 2019). Here are some key differences between the 2013 SLLDP and the revised 2019 SLLDP:

- The 2013 SLLDP consist of four categories – landless and land poor households producing for subsistence purposes (category 1), market-orientated smallholder producers (category 2), medium-scale farmers (category 3), and well-established large-scale commercial

farmers (category 4). In contrast, the 2019 SLLDP policy consists of three categories since well-established, large-scale commercial farmers are no longer a standalone category. Instead, they are identified as a sub-group under the medium-scale commercial farmers that may be catered for under category 3.

- The 2013 SLLDP specifically does not allow civil servants to benefit from land redistribution. In contrast, the revised 2019 SLLDP allows civil servants to lease land on the condition that they resign immediately after their application for land is approved.
- According to the 2013 version of the SLLDP, rental payments are set at 5% of the estimated net income per annum. The 2019 SLLDP has a lower rental payment of 2% of the estimated net income per annum.
- In terms of the option to purchase, the 2013 SLLDP has no clearly outlined steps or pathways for beneficiaries to qualify to purchase state land. The revised 2019 SLLDP allows medium-scale farmers to purchase land after a five-year lease period. The landless and land poor households and smallholder producers can only lease state land and cannot exercise the option to purchase land (DRDLR, 2013; 2019).

The key challenge with the SLLDP programme is that the state has no mechanisms to ration public funds allocated to land reform (Kepe and Hall, 2016). This has not been addressed in the 2019 revised SLLDP policy. As a result, it is entirely impossible for Parliament, which has an oversight function, to know how broadly or narrowly the available state funds have been spread, and whether this is benefitting the poor or not. The lack of prescriptive guidelines on the use of

5. A new SLLDP was signed in March 2019 to replace the 2013 SLLDP. However, the introduction of the new SLLDP in March 2019 was done without any public consultations. At the time the SLLDP was signed, it had not been publicised or advertised and had not been made available online. The policy was also not shared with the land reform beneficiaries.

public funds in land reform hinders equitable access to land (Kepe and Hall, 2016). Without the 'means test' to ensure that the neediest people get access to land, beneficiary selection processes have shifted in favour of well-off beneficiaries, who possess the potential to successfully engage in large-scale commercial farming (Aliber and Hall, 2012; Aliber et al., 2013).

This research seeks to investigate key questions on who has been benefiting from South Africa's land redistribution – who are the winners and who are the losers? The research maps out processes of beneficiary selection and targeting within selected provinces, namely the Eastern Cape, Free State, KwaZulu-Natal, North West and the Western Cape. This entailed an analysis of the actual practices in the selection and targeting of beneficiaries. This is important since it sheds light on the overall class implications of the land redistribution programme; for instance, whether the SLLDP programme has been more beneficial to either smallholder farmers, commercially-oriented farmers or the poor and landless. The SLLDP (2013:13) identifies four different categories of prospective beneficiaries operating at different scales of production. These four categories are as follows: households with no or limited access to land even for subsistence production, small-scale farmers producing some marketed output, medium-scale farmers, and large-scale or well-established commercial farmers (DRDLR, 2013:3). The policy argues for an inclusive approach where the envisaged agrarian structure is diverse and wide-ranging in terms of target beneficiaries. However, the quest to create a select segment of large-scale commercial farmers has resulted in the exclusion of the poor categories of farmers.

1.1. A significant political moment in time

This research report presents findings from field-based research on land acquisition, and beneficiary

targeting and selection in South Africa's land redistribution. Research for this report happened amidst new and important developments in relation to the land reform policy and processes in South Africa. There have been intense debates on South Africa's land and agrarian reform policies, with particular focus on the glaring failure to achieve a fundamentally pro-poor and redistributive land reform process. Post-apartheid land reform policies have not been effective in restructuring the highly dualistic and spatially divided agrarian structure. Among the key controversies in post-apartheid land reform is the existence of the property clause, under Section 25 of the Constitution. Some analysts argue that the recognition of pre-constitutional property rights constrains land and agrarian reform (Hendricks, 2003; Ntsebeza, 2007). A series of significant events have flowed from these debates. On the 27th of February 2018, the National Assembly passed a motion to debate the possibilities for the expropriation of land without compensation. Subsequently, Parliament initiated public hearings to capture a diverse range of views, from different sectors of society, on this issue.

The Presidential Advisory Panel on Land Reform and Agriculture Report or Expert Report⁶ makes important recommendations in favour of equitable access to land in South Africa. The Expert Report (2019) emphasises the need for participatory and democratic processes which allow citizens to articulate their land needs. In the light of budgetary constraints, the Expert Report (2019: 56-57) underlines the importance of rationing resources across different priority needs. Thus, the Expert Report on Land Reform and Agriculture (2019) recommends a more equitable formula for distributing public resources in land reform. According to the report, 30% of the budget should be allocated to poor households, usually land poor or landless. Another 30% of the budget may be allocated to smallholders producing marketed output. Medium-scale farmers may also be allocated 30% of

6. https://www.gov.za/sites/default/files/gcis_document/201907/panelreportlandreform_1.pdf

the resources while the remaining 10% is allocated to large-scale commercial farmers. The Expert Report (2019) identifies gender equity as an imperative and recommends that 50% of those benefiting from state resources should be women.

The Expert Report (2019) supports a key recommendation identified earlier in the High Level Panel (HLP) Report on the Assessment of Key Legislation and the Acceleration of Fundamental Change⁷ on the need to develop overarching legislation on land reform. This recommendation is based on the fact that South Africa lacks legislation which integrates the different elements of land reform namely redistribution, tenure reform, and restitution. The Expert Report (2019) identifies land administration as the fourth and new element of land reform that the state needs to include in the new land reform law. As the HLP Report (2017) notes, the proposed legislation needs to address key issues on equitable access to land. In a paper commissioned for the HLP Report, Kepe and Hall (2016:10) argue that the current legislation governing land reform (the Provision of Certain Land for Settlement Act 126 of 1993 (Act 126) and its amendments) does not sufficiently promote equitable access to land as directed by Section 25 (5) of the Bill of Rights. As the HLP Report itself (2017) argues:

Act 126 is inadequate to guide the implementation of land redistribution. It does not define equitable access in any meaningful manner, and provides no guidance as to how beneficiaries are to be selected, how land suitable for redistribution is to be acquired, how post-settlement support is to be provided, how the land tenure security of beneficiaries is to be secured, and says nothing about the role of local authorities in land reform planning and implementation (HLP Report, 2017:219-220).

What can be surmised from the recommendations of both the Expert Report (2019) and the earlier HLP Report (2017), is that a broad and inclusive policy vision for land reform needs to go beyond the issue of targets and the slow pace of land reform (Hall and Cliffe, 2009)⁸, and address key questions in relation to the class agenda of land reform (Hall, 2012).

The Rkgase and another versus Minister of Rural Development and others case⁹ is a landmark judgement on equitable access to land. Although the government initially took steps to appeal the judgement¹⁰, it later withdrew its application for leave to appeal¹¹. There are important lessons to be learnt from the Rkgase case in relation to the constraints to pro-poor land reform in South Africa. On 4 September 2019, the North Gauteng High Court's ruling on the Rkgase case also brings to the fore important questions on the extent to which existing legislation and policies operationalise the legal right to equitable access to land. Mr Rkgase had, since 1991, been leasing land previously owned by the South African Development Trust (SADT) from the then Bophuthatswana government. In 2003, the state approved the application to purchase the farm through the LRAD programme, but delayed finalising the application. From 2006, the government introduced the leasehold system whereby beneficiaries can only lease land without the transfer of ownership rights.¹² In spite of the initial approval for Mr Rkgase to purchase the farm through LRAD, the state reverted to leasing the farm to Mr Rkgase. The judgement noted that the refusal to transfer the ownership of land is unreasonable. It was the state's failure to fulfil its constitutional duties in the context of land reform that undermined Mr Rkgase's right to own property. The judgement also noted that the various land reform policies do not operate in a clearly defined legislative framework. In

7. https://www.parliament.gov.za/storage/app/media/Pages/2017/october/High_Level_Panel/HLP_Report/HLP_report.pdf

8. As Hall and Cliffe (2009:2) observe on the 30% numerical target for land redistribution in the first 5 years, "as often happens with policy targets, it was somewhat arbitrary in origin and has proved to be significantly underachieved, yet has become the holy grail of land reform: the yardstick by which progress is measured, and the goal in terms of which all new policy and programmatic initiatives have been justified".

9. <http://www.saflii.org/za/cases/ZAGPPHC/2019/375.html>

10. <https://www.businesslive.co.za/bd/politics/2019-09-29-state-to-appeal-precedent-setting-judgment-on-black-farmers-right-to-land/>

11. Thoko Didiza sorry for farmer's 17 year wait to get land, <https://www.sowetanlive.co.za/news/south-africa/2019-10-09-thoko-didiza-sorry-for-farmers-17-year-wait-to-get-land/>

12. These policies include PLAS adopted in 2006 and SLLDP initially introduced in 2013 and revised in 2019.

summary, failure to transfer ownership is in breach of the Section 25 (5) legal right to equitable access to land.

On 13 March 2019, Minister Maite Nkoana-Mashabane of the DRDLR signed a revised SLLDP.¹³ The policy changes in the revised SLLDP (2019) happened in the midst of important political processes for the land reform sector. These processes include public consultations by the Presidential Advisory Panel on Land Reform and Agriculture and the Parliamentary process to review the property clause in the Constitution. There were no discussions on the changes to the SLLDP in the Expert Advisory Panel on Land Reform and Agriculture. Changes to the SLLDP also did not surface in the wider discussions on constitutional amendments to the property clause. This is in spite of the far-reaching implications the SLLDP changes will have in terms of who will get land with what rights. In short, the DRDLR introduced the new SLLDP outside of the purview of significant public processes in the land reform sector.

In the new SLLDP, the lease period before qualifying to purchase land has been reduced to 5 years. Initially, the lease period was 30 years, renewable for another 20 years without clear provisions on the option to purchase. However, in the new SLLDP, civil servants now qualify to lease land from the state on condition that they resign once the application for land is approved. The four categories of farmers (landless or land poor households, market-oriented smallholders, medium-scale and well-established farmers, and large-scale commercial farmers) are now reduced to three categories. Large-scale commercial farmers are included in category 3 for medium-scale farmers. However, landless or land poor households and smallholders can only lease state land. Exercising the option to purchase is reserved for medium-scale farmers.

The above-mentioned developments in the

land reform sector unfolded at a significant political moment. The sixth democratic elections ushered in a new administration, with a new mandate. Thus, now could be the opportune time to tackle enduring challenges on land and agrarian questions in South Africa. However, the possibility for new policy directions to emerge depends on the prevailing political context — the extent to which there is receptiveness to new policy proposals.

1.2. The Constitutional basis of land reform

South Africa's constitution provides the legal basis for land reform and the three components of land reform are clearly outlined in the Constitution. Section 25 (5) focuses on the land redistribution component of land reform. In terms of Section 25 (5), "the state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis". On tenure reform, Section 25 (6) of the Constitution states that "a person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws and practices is entitled, to the extent provided by an Act of Parliament, either to tenure that is legally secure or to comparable redress". The Constitution also provides for restitution in Section 25 (7) and stipulates that "a person or community dispossessed of property after 19 June 1913 as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to restitution of that property or to equitable redress".

This research report focuses on the redistribution component of land reform and foregrounds questions around equitable access to land in post-apartheid South Africa. Analysts have drawn attention to the property clause under section 25 of the Bill of Rights which guarantees protection from arbitrary

13. However, the introduction of the new SLLDP in March 2019 was done without any public consultations. At the time the SLLDP was signed, it had not been publicised or advertised and had not been made available online. The policy was also not shared with the land reform beneficiaries

deprivation of property (Hendricks, 2003; Hamilton, 2006; Ntsebeza, 2007). Critics of the property clause in the Constitution have argued that the quest to redistribute land while simultaneously protecting private property which includes privately-owned commercial farmland remains a major constraint to land reform in South Africa (Hendricks, 2003; Ntsebeza, 2007).

Discussions on the constitutional constraints to land reform in South Africa have featured since the early years of democracy. However, the growing calls to amend the property clause in the Constitution is a result of the slow pace of land reform and failure to meet the targets set for land redistribution. Proponents of the constitutional amendment of the property clause to allow for expropriation of land without compensation argue that this will allow for a fast-paced land reform programme (Hendricks, 2003; Ntsebeza, 2007). Expropriation of land without compensation will allow us to overcome the impediments associated with the 'willing buyer, willing seller' approach characteristic of the market-assisted land reform (Hendricks, 2003; Ntsebeza, 2007).

The arguments for amending the property clause to allow for expropriation without compensation have foregrounded key constitutional aspects of land reform in public debates. However, it is equally important to note that the causes of land reform failure are far more complex and wide-ranging. Constitutional limitations are part of this complex set of challenges. Some of these challenges are well documented and include insufficient budgetary allocations for land reform, lack of state capacity, insufficient post-settlement support, and poor extension services (Aliber and Cousins, 2013).

Section 25 (1) of the Constitution 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". This constitutional provision essentially "protects property owners, whether historically advantaged or historically disadvantaged, from having their property arbitrarily

deprived (Dugard, 2018). However, some analysts have argued that section 25 of the Constitution does not necessarily impede social transformation through land reform (Dugard, 2018; Ngcukaitobi, 2018). In fact, section 25 (2) stipulates that the state may expropriate property "for a public purpose and in the public interest" and in terms of Section 25 (4) "the public interest includes a nation's commitment to land reform, and to reforms to bring about equitable access to all of South Africa's natural resources". The state may exercise expropriation subject to "just and equitable compensation". The various circumstances the state needs to consider when expropriating property are outlined in Section 25(3). The amount of the compensation and the time and manner of payment must be just and equitable, reflecting an equitable balance between the public interest and the interests of those affected, with regard to all relevant circumstances, including:

- a. the current use of the property;
- b. the history of the acquisition and the use of the property;
- c. the market value of the property;
- d. the extent of the direct state investment and subsidy in the acquisition and beneficial capital improvement of the property; and
- f. the purpose of the expropriation.

In some instances, it is possible for zero compensation to be paid for the expropriated property. The 'willing buyer, willing seller' policy alongside the purchase of land at market value is essentially a policy choice and not a constitutional imperative (Lahiff, 2007). There is still no consensus on whether or not the Constitution is sufficiently transformative. However, there is an emerging consensus on the need to clarify the different circumstances whereby the state can provide zero compensation following the expropriation of land.

Parliament is in the process of finalising the Expropriation Bill which is meant to replace Act 65 of 1975. One of the key aims of the Expropriation Bill is

to clarify, among other things, the conditions under which expropriation without compensation may be exercised. In the meantime, the Presidential Advisory Panel on Land Reform and Agriculture Report (2019) has identified circumstances where expropriation without compensation may be exercised. These recommendations will undoubtedly support the work of the Parliamentary Committee which is working on amending section 25 of the Constitution. The 10 circumstances where expropriation without compensation may be exercised are as follows:

1. Abandoned land
2. Hopelessly indebted land
3. Land purely intended for speculative purposes and a clarification of what constitutes 'speculative purposes'
4. Unutilised land held by the state entities
5. Land obtained through criminal activity
6. Land already occupied and used by labour tenants and former labour tenants
7. Informal settlement areas
8. Inner-city buildings with absentee landlords
9. Land donations
10. Farm equity schemes (where the state has purchased equity and no or limited benefits have been derived by worker shareholders)

However, amending the property clause to make land available through expropriation without compensation does not necessarily resolve long-standing questions in relation to beneficiary targeting and selection.

1.3. A narrow policy vision

The Parliamentary process to amend section 25 of the Constitution to allow for expropriation without compensation represents a key development in the land reform sector. However, expropriation without compensation addresses challenges related to the slow pace of land redistribution. Other equally important questions in relation to equitable access to land have been neglected. This includes issues around beneficiary selection and beneficiary targeting (Hall, 2010; 2012; Cousins, 2013). These are important questions which address the core issues around the class agenda of land reform or who should benefit from land reform (Hall, 2010; 2012; Cousins, 2013). The neglect of these core issues persists in spite of growing public concern on the prevalence of elite capture in land redistribution. The rise of elite capture in land reform has been widely documented in the media (Fuzile, 2016¹⁴; Ndenze, 2017¹⁵; African News Agency, 2017¹⁶; Van Rensburg, 2017¹⁷; Corrigan, 2018¹⁸; Friedman, 2019¹⁹). A few academic studies also highlight the shift in land reform from being a pro-poor programme to being an essentially pro-elite programme (Lebert and Rohde, 2007; Cousins, 2013; Aliber and Hall, 2012; Kepe and Hall, 2017).

However, there are also underlying policy challenges which have continued to constrain equitable access to land in South Africa. South Africa's land reform has been proceeding alongside restructuring in the agricultural sector. The deregulation and liberalisation of the agricultural sector which commenced in the 1980s were

14. Bongani Fuzile. 2016. Ncera residents go nuts destroying R100m project, Daily Dispatch, 15 June 2016, <https://www.dispatchlive.co.za/news/2016-06-15-ncera-residents-go-nuts-destroying-r100m-project/>

15. Babalo Ndenze. 2017. R4-million in state money given to what is now derelict farm, Time Live, 22 January 2017, <https://www.timeslive.co.za/sunday-times/news/2017-01-22-r4-million-in-state-money-given-to-what-is-now-derelict-farm/>

16. African News Agency. Mkhwebane asked to probe Minister Nkwint's 'dodgy' land deal, 12 February 2017, <https://citizen.co.za/news/south-africa/1424939/mkhwebane-asked-to-probe-minister-nkwintis-dodgy-land-deal/>

17. Dewald Van Rensburg. 2017. Land reform is 'captured', City Press, 26 February 2017, <https://www.fin24.com/Economy/South-Africa/land-reform-is-captured-20170224>

18. Terence Corrigan, 2018. Profiting from land reform: The risk of a different form of capture, Daily Maverick, 20 November 2018, <https://www.dailymaverick.co.za/article/2018-11-20-profiting-from-land-reform-the-risk-of-a-different-form-of-capture/>

19. Hazel Friedman. 2019. Farm flipping: How land reform was broken by the elite, 24 May 2019, <https://mg.co.za/article/2019-05-24-00-farm-flipping-how-land-reform-was-broken-by-the-elite>

accelerated in the early 1990s in tandem with developments in the broader economy (Vink and Kirsten, 2000; Greenberg, 2017). This saw the dismantling of single marketing channels and the removal of input and credit subsidies to create a highly competitive environment in the agricultural sector (Vink and Kirsten, 2000; Cousins, 2013). The overall outcome of these processes is greater concentration of land ownership within the agricultural sector. Large-scale agricultural producers, on the basis of scale economies, dominate the agricultural sector and produce the bulk of South Africa's marketed output (Greenberg, 2017). The trend towards concentration is also evident both upstream and downstream of agriculture where large seed companies, agro-inputs suppliers as well as marketing, processing and other value-adding activities within the value chains became dominated by a few conglomerates (Greenberg, 2017). In sum, post-apartheid land reform policies emerged against the background of accelerated restructuring of the agricultural sector and the wider economy.

Smallholder producers are expected to survive in this highly deregulated and competitive environment without the support and subsidies that had, for decades, cushioned the white commercial farming sector (Aliber and Cousins, 2013). Efforts to restructure the agricultural sector through deregulation and privatisation resulted in the dismantling of a wide range of institutional forms of support for farmers (Cousins, 2013; Greenberg, 2017). At the outset, agricultural policies were not in sync with land reform policies primarily formulated to include historically disadvantaged groups, especially smallholder producers (Aliber and Cousins, 2013; Greenberg, 2017).

The 'decoupling' of land reform and agriculture in policy has negatively affected the effectiveness of land reform delivery processes (Cousins, 2013). This disconnect between agricultural and land reform policy has been manifested in the institutional division between the Department of Agriculture Forestry and Fisheries (DAFF) and the DRDLR, formerly the

Department of Land Affairs. Land redistribution was from the outset designated as a competence for the DRDLR while agricultural support services and technical expertise has been the competence of the DAFF. Agricultural support for land reform beneficiaries, especially farm development and post-settlement support for land has been inadequate and poorly coordinated. Extension services and agricultural expertise are not readily available to many land reform beneficiaries.

Within land reform, the Subdivision of Agricultural Land Act 70 of 1970 which prohibited the subdivision of agricultural land during apartheid continues to influence the planning and design of land reform projects. While land acquired through the Provision of Land and Assistance Act 126 of 1993 has been exempted from the provisions of the Subdivision of Agricultural Land Act 70 of 1970, policy-makers, officials and agricultural experts have rarely considered subdividing agricultural land. This is in spite of the fact that subdividing large farms may be suitable for beneficiaries interested in land for multipurpose use (Lahiff, 2007; Cousins, 2013).

1.4. Market-assisted land reform (MALR) in South Africa

The trajectory of South Africa's post-apartheid land reform has been profoundly shaped by the World Bank's ideas on market-assisted land reform, or MALR (Hall, 2004; 2012; Lahiff, 2007). Hall (2010) notes that various land experts and agricultural economists coalesced around a pro-market vision of land reform under the auspices of the World Bank-supported Land and Agricultural Policy Centre (LAPC). The pro-market approach to land reform prevailed amongst a set of options that had been presented at the land policy conference in Swaziland (Hall, 2010; 2012).

The key defining features of MALR stem from a critique of the supposed weaknesses of state-led land reforms (Deininger, 1999). Advocates for MALR often argue that state interventions in land reform are associated with inherent policy weaknesses and fail-

ures (Borras, 2007; Lahiff, 2007). The shortcomings evident in state-led land reforms, it is argued, necessitated the adoption of an alternative approach to land reform in the form of the MALR (Aiyar et al., 1995). According to Borras (2007), the MALR critique of the role of the state in land reform is often organised around some key features of land reform policy. These include:

1. Getting access to land
2. Post-land transfer farm and beneficiary development
3. Financing of land reform

In relation to accessing land, state-led land reforms are often critiqued for applying coercive measures, as opposed to co-operation with landowners, to acquire land. According to Van de Brink et al. (2006:32), state-led land reforms occur when the “government redistributes land through legal processes of expropriation or compulsory acquisition”. Van de Brink et al. (2006:32) also argue that “this legal process is rooted in the legal principle of eminent domain” which essentially refers to “the state’s power to take private property for public use following the payment of just compensation to the owner of that property”. However, expropriation is often a lengthy and protracted process. This is because judgements on expropriation can be appealed at higher-level courts. Ultimately, these appeals delay benefits accruing to the beneficiaries (Binswanger, 1996:140).

The pro-market approach argues for community-driven land acquisition as a way of overcoming the challenges associated with compulsory land acquisition. In MALR, the future land reform beneficiaries “can independently decide what farm to buy and the land passes directly from the previous owner to the new owner without ever becoming state property” (Van de Brink et al., 2006:34). Deininger (1999: 651) asserts that MALR essentially relies on “voluntary land transfers based on negotiation between buyers and sellers, where the government’s role is restricted to establishing the necessary

framework and making available a land purchase grant to eligible beneficiaries”. Proponents of MALR see cooperation on the basis of ‘willing seller, willing buyer’ and market arrangements as a precondition for successful land reform.

Proponents of the MALR also argue that market-based land transactions ensure 100% cash payments based on the market value of the land. In contrast, the state tends to pay prices below the market value for land acquired while landowners are usually not compensated in time (Borras, 2003; Borras, 2007). In order to allow the market to flourish, progressive land tax and land titling to strengthen property rights, are prioritised in MALR (Borras, 2007). According to Binswanger-Mkhize et al. (2009:13) “the ideal tax would tax the potential agricultural profit of a particular piece of unimproved or unused land”. A land tax thus acts as a disincentive to landowners who may withhold their land for speculative purposes. According to Borras (2007), proponents of MALR see an active role in land markets by the state as having distortionary effects on the proper functioning of land markets (Borras, 2007). Deininger (1999) further argues that governments often fail “to create conditions that would improve the ability of land rental and sales markets to transfer land to more efficient users, thus using such markets to complement government land reform efforts”. Instead, according to Deininger (1999), “governments have often outlawed or severely restricted land rental (and to a lesser degree sales) markets”.

The process of beneficiary selection in state-led land reform is supply-driven as beneficiaries are state-selected. With state-initiated land reforms, the state also bears the full cost of land reform (Borras, 2007). A key weakness of state involvement in beneficiary selection is that incompetent beneficiaries are selected and this is often enabled through state corruption. In contrast, MALR is essentially demand-driven in that it does not involve prior acquisition of land by the state for subsequent resettlement (Van de Brink et al., 2006: 34). This makes the

process participatory and more in tune with what the beneficiaries need (ibid.). Post-land transfer farm and beneficiary development is a key aspect of land reform. State-led land reforms are widely criticised for inefficiencies in the provision of post-settlement support. This emanates from bureaucratic inefficiencies and lack of pro-activeness (Borras, 2007). The state only develops business plans after the land has been acquired. In contrast, MALR is seen as more pro-active since farm development plans are conceived well before the land is transferred to the beneficiary.

Finally, a key distinctive feature that differentiates the two approaches to land reform, are the financing mechanisms. Market-assisted land reform is based on a flexible loan-grant system whereby the loan goes towards the purchase of land while the grant is allocated for farm improvements. According to Binswanger-Mkhize et al. (2009:17), "requiring a contribution helps self-select people who are actually willing and able to run a farm". The co-sharing of risks is seen as a means to ensure commitment on the part of beneficiaries. In fact, "it prevents individuals without comparative advantage in farming from becoming land reform beneficiaries just to secure the government subsidy" (Deininger, 1999: 665). The assumption is that only those sufficiently competent to engage in viable commercial farming qualify as beneficiaries. This is in contrast with state-initiated land reforms, where the state bears the full cost of land reform (Borras, 2007).

Contemporary debates on South Africa's land reform variously draw on these two paradigms – market-based land reform and state-led land reform. Some perspectives are distinctively pro-market, favouring a prominent role for private agribusiness and landowners in supporting land reform (Vink and Kirsten, 2019). This support could be through partnerships upstream and downstream of farming including mentorship and the transfer of skills (Vink and Kirsten, 2019; Sender 2016). Others argue for an active role for the state to mediate unequal power relations prevalent in land markets

(Lahiff, 2007; Aliber, 2019). These scholars argue for a smallholder path on the basis of differentiated support mechanisms as opposed to a one size fits all approach (Aliber, 2019; Aliber and Cousins, 2013). The idea is to accommodate a substantial number of smallholder producers in the agrarian structure without dismantling the entire large-scale commercial farming sector (Aliber, 2019). Some radical perspectives envisage a redistributive land reform driven by grassroots social movements (Mazibuko, 2019). Input, credit and marketing cooperatives are seen as the lynchpin of pro-poor land reform as opposed to private sector partnerships (Mazibuko, 2019). In fact, the radical approach argues that a pro-poor land reform within the prevailing market processes is elusive (Mazibuko, 2019). According to the radical perspective, target beneficiaries (who include residents of former homelands and informal settlements, farm dwellers, and farm workers) are expected to prosper through participation in 'solidarity economies' within various cooperatives (Mazibuko, 2019).

1.5. Post-apartheid land reform policy cycles

Hall (2012), identifies three different policy cycles which denote the metamorphosis of South Africa's land reform policy – especially the changes in the class character of the targeted land reform beneficiaries and priorities in terms of land use requirements. The failure to foster a pro-poor land reform programme is evident in the actual design and implementation of land reform projects in South Africa. SLAG was the key programme in the first phase of South Africa's land redistribution from 1995 to 1999 (James, 2007).

(See Table 1 on the next page.)

Table 1: South Africa's post-apartheid land reform policy cycles (Hall, 2012)

Land reform timeline	Flagship programme	Defining features	Target Beneficiaries: who benefits from land reform?	Successive administrations
1994-1999	Settlement & Land Acquisition Grant (SLAG)	'Means test'; Sliding grant (R15 000) per household; Group beneficiaries (CPAs, Cooperatives); Rent-a crowd?	'Poor social groups – women, farmworkers, labour tenants, small-scale farmers, multiple livelihoods and land use activities supported.	Mandela (1994-1999).
2000-2004	Land Redistribution for Agricultural Development (LRAD)	Large grants for small groups or individuals; Marked shift from the precepts of pro-poor land reform.	Commercially-oriented black farmers supported. Primary focus is on 'deracialisation of the commercial farming sector' (Hall, 2004).	Mbeki (1999-2008)
2006- present	Proactive Land Acquisition Strategy (PLAS) adopted in 2006. In 2013, the DRDLR introduced the State Land Lease and Disposal Policy (SLLDP). In 2019, the DRDLR revised the SLLDP without public consultations.	Major policy shift. The state, in both the PLAS and the SLLDP, retains ownership and leases out land to beneficiaries. Unlike, SLAG and LRAD, there is no transfer of title.	The thrust towards commercialisation intensifies. The possibility for 'accumulation of the few' increases (Aliber and Hall, 2012).	Zuma (2009 -2018).

The SLAG consisted of small grants initially set at R15 000 per household which later increased to R16 000 which land reform beneficiaries combined in order to purchase a single farm (Hall and Cliffe, 2009:6). The design of SLAG required groups to form and register a legal entity in the form of a communal property association (CPA) or trust that would own the land (Hall and Cliffe, 2009). The land reform projects under SLAG were widely criticised for focusing primarily on settlement while little attention was paid to economic development issues (Walker, 2003:119). Estimates indicate that about 55 000 households translating into approximately 300 000 people had received land under SLAG before its suspension late in the year 1999 (Hall and Cliffe, 2009). Some of the challenges leading to the failure of the programme included the small grants which compelled land reform beneficiaries to form groups for the purposes of accessing land (James, 2007).

The LRAD programme was introduced following the review of SLAG which was deemed to have targeted the wrong beneficiaries (Hall and Cliffe, 2009). This programme was ushered in as part of the Mbeki administration's redesign of the land reform programme shifting away from SLAG which allowed for multiple livelihood activities on redistributed land.

In terms of the new focus, land reform was no longer simply about transferring land to black households and promoting self-sufficiency. Importantly, LRAD sought to create a "structured, small-scale commercial farming sector, improving production and revitalizing the rural environment and creating employment" (Anseew and Mathebula, 2008:4). Accordingly, the awarding of LRAD grants was not solely based on the equity principle, but also on the viability of the project. The principle of viability would thus be a focal point of cooperation between the Department of Land Affairs and the Department of Agriculture (Anseew and Mathebula, 2008:5).

A distinctive feature of LRAD is that the land redistribution programme no longer prioritised the neediest, but focused on 'emerging' black commercial farmers. LRAD scrapped the 'means test', thereby allowing all members of the formerly disadvantaged groups to be eligible regardless of income, provided they make own contribution (in cash or kind) and use the grant for agricultural purposes (Walker, 2003; Hall and Cliffe, 2009). The LRAD programme provided grants on a sliding scale ranging from R5 000 up to R100 000 per individual applicant depending on the value of the matching assets, cash or own labour (Hall and Cliffe, 2009:7).

According to James (2007:180) "... after some years of an uneasy co-habitation of market-driven and planned or legislated social change, the market-driven approach gained ascendancy, envisaging the ideal agriculturalist as a black, full-time farmer with middle class aspirations". LRAD resembled other forms of black economic empowerment (BEE) in the broader economy which sought to create a prosperous black middle class. As such it was very different from "rural resettlement schemes for the poor" (James, 2007:179).

In 2005, PLAS was conceived and subsequently implemented in 2006. Hall (2012), notes that PLAS was implemented during the Mbeki administration, following a cabinet reshuffle that saw the new Minister of Agriculture and Land Affairs, Ms Lulu Xingwana taking over Ms Thoko Didiza. Hall (2012:25), argues that PLAS started as an adjunct to the LRAD programme, and subsequently took root from 2009 under the Zuma administration and the leadership of the Minister for Rural Development and Land Reform, Mr Gugile Nkwinti. According to Hall (2012:25), "the PLAS programme emerged as the primary mechanism for land redistribution during this time and by 2012, it had become the only means for land redistribution". Through the Provision of Land and Assistance Act of 1993, PLAS allowed officials in the then newly created DRDLR "far reaching discretionary powers" to "purchase land directly, rather than by disbursing grants to enable beneficiaries to purchase land" (Hall, 2012, 25). Unlike the previous land reform programmes, PLAS does not transfer ownership of land to beneficiaries. Instead, selected beneficiaries lease state land on a short-term basis. A long-term lease may be issued on condition of good performance as determined by the DRDLR.

In 2013, the DRDLR introduced the SLLDP which sought to operationalise PLAS and has since become the primary mechanism for redistributing land. The SLLDP broadly focuses on the state's immovable property which includes agricultural land.

Accordingly, the policy also applies to agricultural land acquired on the basis of the Provision of Land and Assistance Act of 126 of 1993 (DRDLR, 2013). The primary aim of this policy is to broaden access to land through the leasehold system as opposed to the transfer of ownership to land reform beneficiaries (DRDLR, 2013). According to the DRDLR (2013), the lease period for all leases in the SLLDP shall be under 30 years which may be renewable for another 20 years. This translates to a 50-year lease period. After the 50 years lapses, lessees may apply for the renewal of the lease within 3 years (DRDLR, 2013).

Broadly, "the target group for agricultural leases shall be Africans, Indians and Coloureds" and "further priority, within the target group shall be given to women and the youth who either have basic farming skills or demonstrate a willingness to acquire such skills" (SLLDP, 2013:14). However, "public servants and their spouses shall not qualify to benefit from agricultural leases irrespective of them falling under any categories identified above" (DRDLR, 2013:14). The SLLDP acknowledges the differentiated nature of land reform beneficiaries and identifies four categories of farmers who may benefit may lease state land as land reform beneficiaries. The four categories of farmers that qualify to lease land from the state are as follows:

- households with no or very limited access to land, even for subsistence production;
- small-scale farmers who have been farming for subsistence purposes and selling their produce on local markets;
- medium-scale farmers who have already been farming commercially at a small scale and with aptitude to expand; and
- large-scale or well-established commercial farmers who have been farming at a reasonable commercial scale, but are disadvantaged by location, size of land, and other resources (DRDLR, 2013:13).

In terms of the SLLDP (2013:13), target beneficiaries involved in subsistence farming, are at the lower end of the scale. This group consists of the landless and land-poor households who are in need of initial access to land (DRDLR, 2013:13). Their inclusion in the programme is to fulfil social justice and food security needs of the poor. The second target group consists of subsistence-oriented producers with limited access to land that could potentially expand their production (DRDLR, 2013:13). In the third category are emerging farmers or medium-scale commercial farmers with the potential to practice commercial farming, but who are constrained by the lack of access to resources. Category four refers to large-scale, well-established commercial producers who need access to more land and other resources to grow their farming enterprises and be at par with large-scale white commercial farmers who constitute the core of South Africa's commercial farming sector (DRDLR, 2013:13).

While the Department had previously determined rental at 6% of production value, it encountered challenges in finding competent professionals to help determine production values (DRDLR, 2013). A market-related value was also not affordable to land reform beneficiaries due to capital constraints (DRDLR, 2013). As a result, the Department adopted a "rental determination and payment dispensation" for an initial period of 5 years (DRDLR, 2013:18). The SLLDP (2013) states that all lessees should develop business plans, which will then form the basis for determination of rental once the lessees access recapitalisation in the initial 5 years. The rental payment is set at 5% of the projected annual net income while no rental escalation is expected on agricultural land leases. Rental escalation is applicable to commercial developments and is expected to increase by 10% per annum (DRDLR, 2013).

2. RESEARCH DESIGN AND PROCESS

This section provides an outline of the key aspects of the research process. This includes the selection of the study sites, the sampling process, research instruments used and data gathering. The section also provides insights into some of the challenges and constraints we encountered while executing the research.

2.1. Selection of study sites

Initial analysis entailed mapping out the national distribution of different types of land redistribution projects in South Africa. We obtained national statistical data from the DRDLR on different land reform projects across the country (see Table 2). From the nine provinces in South Africa, we only selected five for this study (see Table 3). The

selection of the five provinces for this study sought to be inclusive in terms of a key set of considerations, namely, the need to focus on high-value agricultural commodities and inclusion of provinces where the most land redistribution has occurred. Provinces or specific districts within the provinces which have been under-researched with scanty research evidence on land reform outcomes were also a priority for this research.

(See Table 2 on the next page.)

Table 2: Statistical data on the different land redistribution projects in South Africa²⁰

Province	SLAG	LRAD	SLLDP	Commonage	Other ²¹	Total
	n	n	n	n	n	Count
Eastern Cape	72	505	260	38	4	879
Free State	135	465	249	32	3	884
Gauteng	51	149	199	2	4	405
KwaZulu-Natal	214	343	257	4	99	917
Limpopo	66	221	116	0	2	405
Mpumalanga	142	176	234	8	4	564
Northern Cape	40	130	150	95	2	417
North West	59	254	201	16	4	534
Western Cape	93	165	58	6	1	323
TOTAL	872	2408	1724	201	123	5328

2.2. Sampling process

The research team approached officials in the selected provinces and districts for databases or lists of SLLDP beneficiaries in order to identify the actual projects for sampling purposes. This was characterised by varying levels of cooperation from the officials. Difficult cases of non-cooperation included complete refusal to provide lists of projects and failure to secure interviews with relevant officials, especially in the Western Cape. In such cases, the research team relied on civil society organisations, including farmers' and agricultural commodity associations as alternative sources of information to identify SLLDP farms. Sister government departments, particularly DAFF, also provided a list of SLLDP farmers. In spite of cooperation in some provinces, some databases had key variables and indicators missing, like the year of purchase or transfer, price of land, and amounts allocated for recapitalisation.

Table 3: Study sample of SLLDP projects (n =62)

5 Provinces	7 District municipalities	62 SLLDP projects
Free State	Lejweleputswa Xhariep	9 11
North West	Dr Ruth Mompati	12
KwaZulu-Natal	Umgungundlovu	11
Eastern Cape	Amathole	11
Western Cape	West Coast Cape Winelands	3 5
Total number of land reform projects in the five provinces		62

20. Data obtained from the DRDLR in 2018.

21. Other includes the following programmes: Settlement and Production Land Acquisition Grant (SPLAG); Land Acquisition for Sustainable Settlement (LASS) including farms received through donations. These are minor programmes implemented in between the major programmes namely, SLAG, LRAD and SLLDP.

2.3. Research methods

We used mixed methods to investigate land reform outcomes on SLLDP farms. The extensive, quantitative methods were key in collecting statistical data on beneficiaries, various farm enterprises and key aspects of farming on SLLDP farms. These statistical patterns are key in identifying the general and broader patterns within the SLLDP farms. However, a key constraint in relation to statistical data is the lack of comprehensive, up-to-date and systematic information of SLLDP farms. The insubstantial information presents challenges in identifying SLLDP farms in different localities and in drawing up a sample set. The research team corroborated the incomplete information from the few available databases with small lists from farmers' associations and sister departments like DAFF. In total, 62 land reform projects were identified across seven study sites in five provinces (see Table 3).

Intensive (qualitative) interviews were indispensable in generating key insights into the life histories of SLLDP beneficiaries. The life history interview method explored key themes such as family history, work history, farming history, beneficiaries' experiences within the SLLDP programme, and land reform in general. These methods were critical in identifying key events and turning points in the livelihood trajectories and accumulation pathways of the selected SLLDP farmers. Intensive methods revealed rich and in-depth insights into the lives of land reform beneficiaries and the land reform delivery process. Qualitative insights are key in providing explanations in order to understand the processes at work and to explain particular patterns within land reform. Through qualitative interviews, we investigated key illustrative cases which epitomise the predominant patterns and outcomes in South Africa's redistributive land reform. The research team conducted 62 in-depth, life history interviews with SLLDP beneficiaries. In addition, we conducted key informant interviews with DRDLR and DAFF officials, farmers' association leaders, strategic partners, mentors, and

leaders of commodity associations. This information became key in corroborating insights from individual interviews with SLLDP farmers.

2.4. Fieldwork and follow-up research

Initial fieldwork activities included a one-week pilot study to test the research questionnaire and interview schedules for SLLDP beneficiaries and key informants. After the pilot study, the main fieldwork phase was initiated. Intensive fieldwork was conducted in seven selected sites (district municipalities) in five provinces, namely the Western Cape, Eastern Cape, North West, Free State and KwaZulu-Natal. The research team conducted fieldwork for seven months (May to November 2018). We also gained more information during a brief period (February to April 2019) of follow-up fieldwork. Follow-up research included interviews with SLLDP farmers and key informants like strategic partners and agribusinesses.

2.5. Challenges and constraints

National statistical data provides a comprehensive picture of the distribution of various land reform programmes across the provinces in South Africa (see Table 2). The data is collated from various periodic reports submitted from local offices to the national department. The DRDLR district offices also have databases on the number of land reform projects in their localities. A typical database contains information on key aspects of land reform farms. These details include beneficiary name, farm name, land size, year of acquisition, price of the farm, recapitalisation and production support, and the local municipality in which the farm is located.

However, the lists given to the research team in various DRDLR offices tended to be incomplete and fragmented. In some cases, key information on the purchase price and production support was missing. In addition, some of the SLLDP farms were not on the lists obtained from the DRDLR. Overall, identification of SLLDP projects for sampling was con-

strained by the incomplete and at times fragmented information obtained in some of the DRDLR offices. DAFF was also an alternative source of information, albeit incomplete, on SLLDP farms. Farmers' associations, especially the African Farmers Association of South Africa (AFASA) also provided assistance in identifying some farms. In some cases interviewed farmers also identified fellow SLLDP beneficiaries in their area. Some SLLDP farmers identified through this snowballing process were not on the lists provided by state officials. In several cases, the omitted projects often turned out to be on farms where conflict, contestations and allegations of corruption had been made.

Levels of cooperation by state officials varied across the provinces and in the various districts visited. In some instances, state officials did not cooperate and completely refused to attend interviews

or share information on SLLDP projects with the research team. Bureaucratic processes in getting approval from higher-level officials heavily constrained the ability of lower-level officials within the DRDLR to share information.

2.6. Confidentiality

We have anonymised and used pseudonyms for most interviewees to protect the identity of the key informants and farmers who were interviewed for this research, so as to protect their identity and ensure confidentiality. In addition, we have also used pseudonyms for all the farm names included in this report. We only reveal names of research participants or farm names in cases where permission was granted or where the information included is already in the public domain.

3. BASIC DESCRIPTIVE CHARACTERISTICS ON LAND USE AND SIZE, TENURE STATUS AND RECAPITALISATION

The research was conducted in selected districts within South African provinces (see Tables 4-9, and Fig 1). The section below describes the different agro-ecological conditions in the different selected sites. This helps to understand the physical conditions shaping farming in the study sites and also the land use practices and commodities produced on the farms in these sites. The range of agricultural commodities produced in different selected districts within the five selected provinces is quite diverse and fairly representative of different sectors of farming in South Africa. This includes the forestry and timber as well as sugar cane production in KwaZulu-Natal's uMgungundlovu district (see Table 9), grape and fruit farms in the two districts of the Western Cape, namely the Cape Winelands and the Wild Coast (see Table 8). In the North West's Ruth Mompati district, research focused largely on extensive livestock pro-

duction, mainly beef cattle alongside small livestock and in few instances grain production (see Table 4). The farms in the selected two districts of the Free State, Xhariep and Lejweleputswa, produced grain crops like maize and sunflower alongside livestock production, mainly cattle and sheep (see Tables 6 and 7, respectively). A mixed range of agricultural commodities is produced in the Amathole district of the Eastern Cape, which includes capital-intensive agricultural activities like dairy farming and horticulture alongside beef production (see Table 4).

The SLLDP has tended to benefit medium- and large-scale black commercial farmers, specifically well-off individual beneficiaries, as opposed to large groups reminiscent of SLAG (Hall, 2012; Aliber and Hall, 2012). In all five provinces, most people applied for land as individuals. However, after being allocated land, individual applicants form some structures,

usually family trusts, cooperatives or private companies through which they run the farming enterprises. In a few instances, pre-existing groups, like farm workers or farm dwellers have entered the programme as co-operatives or community trusts. In the case of individual applicants, the idea of family trusts and private companies is appealing not only for business imperatives, but also as a response to the uncertainties associated with insecure tenure in the SLLDP programme.

There is a lack of a clear pathway and a set of criteria on when and how a beneficiary can exercise the option to purchase a farm and exit the lease arrangement. Some successful SLLDP farmers noted that the long-term lease period of 30 years and the possibility of renewal for another 20 years heightens tenure insecurity. In fact, it complicates succession planning amongst the SLLDP farmers since the farm remains state property. As a result, the family trusts and private companies also serve the purpose of ensuring continuity and avoiding dispossession by the state in the event of the primary beneficiary passing on.

Several farmers expressed their concern over the weak land rights and tenure insecurity on SLLDP farms. In the North West, several farmers indicated that government officials constantly emphasise that state land is not for inheritance.²³ In some few instances, the idea behind family trusts is to manoeuvre around the gender requirements or another set of criteria that may be in place at the time of applying for a farm. From this research study, it was clear that some provinces, for instance, the North West and Free State have abandoned the database system since it creates high expectations amongst the prospective applicants. However, without a systematic database as the basis for selecting beneficiaries, gender and youth representation has been used arbitrarily to practice favouritism and corruption. Overall, the representation of women and youth categories remains extremely low. Beyond the presence of women in these family trusts or private companies, it is important to identify those women who applied for land as primary applicants and have not simply relied on family trusts and private companies in addition to those who are the leaders of pre-existing groups like farm workers' cooperatives (see Table 14). On the farms, men tend to be in supervisory positions and when strategic partnerships are introduced, they are better positioned to assume the leadership of the cooperatives, compared to women.

22. In the interviews, most DRDLR officials clearly stated that land redistributed under the SLLDP is strictly state-owned land and cannot be inherited. As such, if a beneficiary passes on, there is no guarantee that their family will continue to enjoy the right to lease the land. Several farmers also articulated this as the predominant message from the officials and expressed concern on how this affects their ability to plan in the long-term and make arrangements around succession. In the Western Cape, this featured in terms of the intergenerational aspect of farming. Farmers tended to contrast their precarious land rights and tenure insecurity with the fact that white farmers had historically built their farming enterprises over several generations. This can only happen where there are secure tenure rights.

Table 4: Eastern Cape, Amathole district municipality list of farms

PROVINCE	DISTRICT	PROJECTS	LEGAL STRUCTURE	PURCHASE PRICE	HECTARES	TENURE STATUS	RECAP & PRODUCTION SUPPORT RESOURCES	PRIMARY BENEFICIARIES ON DATABASE	ACTUAL BENEFICIARIES	MEN	WOMEN	FORMER LAND USE ACTIVITIES	CURRENT LAND USE ACTIVITIES, COMMODITIES
Eastern Cape	Amathole	HE Farm	Co-operative	R7 800 000	342	Expired caretakership	None	1	1	1	1	Livestock (dairy cattle)	Livestock (beef cattle, goats, pigs, geese)
		VE Farm	Individual – no legal entity ²³	R5 600 000	547	No agreement	None	1	1	0	1	Livestock (dairy cattle), poultry (chickens broilers)	Grain (matze), Vegetables (potatoes)
		LF Farm	Private Company	Not known ²⁴	Not known	Valid lease	None	1	1	1	0	No production	Livestock (sheep, goats, cattle, horses), poultry (chickens, geese and ducks)
		LG Farm	Private Company	R7 500 000	1000	Unsigned caretakership	R2000 worth of fencing	1	1	1	0	Livestock (sheep, horses)	Livestock (goats, cattle, pigs)
		DG Farm	Co-operative	R3 600 000	473	Unsigned caretakership	Unfinished chicken structure	1	2	1	1	No production	Vegetables (cabbage, butternut, beetroot, spinach, lettuce, broccoli) herbs (basil, coriander, green mustard) Livestock (cattle, goats, pigs)
		HH Farm	Co-operative	Not known	2800	Expired caretakership	20 cattle	1	5	2	3	Livestock (cattle, sheep)	Livestock (cattle)
		EL Farm	Private Company	R7 500 000	112	No agreement	None	1	1	1	0	Game farming	Livestock (goats, cattle, pigs), poultry (chicken)
		OL Farm	Co-operative	R3 500 000	356	Expired lease	None	1	6	3	3	Livestock (dairy cattle)	No production
		AM Farm	Individual – no legal entity ²⁵	Not known	Not known	No agreement	None	1	2	1	1	Livestock (cattle)	Livestock (cattle)
		ES Farm	Co-operative	R7 500 000	23	Expired lease	R 4 000 000, (R 1 000 000 outstanding)	1	5	4	1	Livestock (pigs), Vegetables (tomatoes)	Poultry (chicken broilers)
		TS Farm	Family Trust	Not known	1400	Verbal agreement	None	1	4	2	2	Livestock (cattle)	Livestock (cattle, sheep, goats, pigs)

23. No legal entity is registered by the beneficiary.

24. The price is not known by the beneficiary or the occupier of the farm.

25. No legal entity is registered by the beneficiary.

Table 5: North West, Dr Ruth Mompoti district list of farms

PROVINCE	DISTRICT	PROJECTS	LEGAL STRUCTURE	PURCHASE PRICE	HECTARES	TENURE STATUS	RECAP & PRODUCTION SUPPORT RESOURCES ²⁶	PRIMARY BENEFICIARIES ON DATABASE	ACTUAL BENEFICIARIES	MEN	WOMEN	FORMER LAND USE ACTIVITIES	CURRENT LAND USE ACTIVITIES, COMMODITIES
North West	Ruth Mompoti	OS5 Farm	Private Company	R34 or R37 000 000	2700	Valid lease	R5 000 000	1	1	1	0	Livestock - Cattle (Bonsmara)	Livestock - Cattle (Bonsmara), sheep, goats
		OD Farm	Individual - no legal entity	Not known	606	Valid lease	None	1	1	1	0	Crop production (Maize)	Livestock - cattle, sheep, goats, horses
		LA Farm	Private Company	Not known	2470	Valid lease	R1 000 000	1	1	1	0	Livestock cattle production	Livestock - cattle (Bonsmara, brahman and chereim), Goats, Sheep, horses
		IR Farm	Private Company	Not known	1050	Valid lease	R 1 400 000	1	1	1	0	Grain crops-maize and wheat	Livestock - cattle, sheep and goats
		AL Farm	Private Company	R4 400 000	1958	Valid lease	None	1	1	1	0	Livestock - cattle production	Cattle production (Bonsmara)
		OS2 Farm	Individual - no legal entity	Not known	2700	Valid lease	R2 315 000	1	1	1	0	Livestock -cattle (Bonsmara and Brahman)	Livestock - cattle (Bonsmara and Brahman), sheep and goats
		RB Farm	Private Company	Not known	1233	Valid lease	R1 852 370, 41	1	1	1	0	Livestock - Cattle production	Livestock - cattle (bread not specified), Sheep, and Goats.
		VA Farm	Co-operative	R 2 500 000	800	Expired caretakership	None	1	12	4	8	Boarding school and sheep and goats	Old age home, sheep and vegetables production
		RD Farm	Co-operative	R9 000 000	1855	Valid lease	R 2 900 000 & 40 cattle including debushing	1	5	2	3	Livestock - cattle production	Livestock -cattle (Bonsmara and Ngumi) Sheep, Goats and Chickens.
		OH Farm	Private Company	Not known	800	Valid lease	None	1	1	1	0	Livestock - cattle production	Livestock production - Cattle (Bonsmara)
		OZ Farm	Private Company	R2 200 000	400	Valid lease	None	1	1	1	0	Livestock production - cattle	Livestock production - Cattle (Bonsmara), sheep and goats
		AR Farm	Individual - no legal entity	R 43 000 000	3100	Valid lease	R1 8 000 000	1	1	1	0	Livestock - cattle production	Livestock - Cattle (Ngumi) and goats

26. Recap refers to the recapitalisation programme. It is implemented on the basis of the Recapitalisation and Development Programme. Other forms of support include the Comprehensive Agricultural Support Programme (CASP).

Table 6: Free State, Xhariep district municipality list of farms

PROVINCE	DISTRICT	PROJECTS	LEGAL STRUCTURE	PURCHASE PRICE	HECTARES	TENURE STATUS	RECAP & PRODUCTION SUPPORT RESOURCES	PRIMARY BENEFICIARIES ON DATABASE	ACTUAL BENEFICIARIES	MEN	WOMEN	FORMER LAND USE ACTIVITIES	CURRENT LAND USE ACTIVITIES, COMMODITIES
Free State	Xhariep	WT Farm	Private Company	Not known	824	Valid lease	None	1	1	0	1	Grain (sunflower)	Vegetables (cabbage) Grain (sunflower)
		NI Farm	Individual - no legal entity	Not known	242	Valid lease	12 heifers and 1 bull	1	1	1	0	Livestock (cattle)	Livestock (cattle -Bonsmara)
		UO Farm	Family Trust	R36 000 000	8400	Expired lease	R800 000	1	5	1	4	Livestock (cattle, sheep) grain (maize) fodder (lucerne)	Livestock (cattle, sheep), game (Buffalo, giraffe, blesbok, blouwiddebees, elands, gemsbok, zebra, impala, leijwe, antelope)
		AA Farm	Individual - no legal entity	R3 000 000	870	Verbal agreement	None	1	1	1	0	Livestock (cattle)	Livestock (cattle, sheep)
		AK Farm	Private Company	Not known	2470	Expired lease	12 heifers and 1 bull	1	1	0	1	Livestock (cattle)	Livestock (cattle)
		IM Farm	Private Company	R5 700 000	690	Valid lease	11 Nguni cattle	1	2	1	1	Livestock (cattle- Nguni) grain (maize)	Livestock (cattle -Nguni)
		ED Farm	Private Company	R4 500 000	1827	Valid lease	DRDLR (R275 000 lire 'jojo' tank) Department of Environmental Affairs (20 springbok, 20 blesbok, 8 zebras, 10 Wildebeest, and 5 gemsbok, 87 buffaloes)	1	1	1	0	Game	Game
		UB Farm	Private Company	Not known	868	Expired lease	18 cattle from DRLRD READ	1	1	1	0	Cattle production and game	Livestock (cattle)
		AW Farm	Private Company	Not known	501	Expired lease	2 wind mills	1	1	1	0	Livestock (cattle)	Livestock (cattle)
		OR Farm	Private Company	Not known	710	Valid lease	42 cattle	1	1	1	0	Livestock (cattle)	Livestock (cattle)
		AP Farm ²⁷	Family Trust	Not known	1400	Valid lease	None	1	2	1	1	Livestock (cattle) grain (maize, sunflower, sorghum)	Livestock (cattle, sheep)

27. The respondent insisted that it's a family trust, and he is the only beneficiary.

Table 7: Free State, Lejweleputswa district municipality list of farms

PROVINCE	DISTRICT	PROJECTS	LEGAL STRUCTURE	PURCHASE PRICE	HECTARES	TENURE STATUS	RECAP & PRODUCTION SUPPORT RESOURCES	PRIMARY BENEFICIARIES ON DATABASE	ACTUAL BENEFICIARIES	MEN	WOMEN	FORMER LAND USE ACTIVITIES	CURRENT LAND USE ACTIVITIES, COMMODITIES
Free State	Lejweleputswa District	OB Farm	Family Trust	Not known	211	Valid lease	Ploughing (56ha and 100 ha) Grain SA and DRDLR Medication during drought	1	6	1	5	Livestock (cattle)	Livestock (cattle, goats, sheep, ostrich, donkey, horses)
		RB Farm	Family Trust	Not known	854	Valid lease	LRAD (R500,000 grant for farm); PLAS (150 pregnant cattle for the project & 300 sheep from DoA)	1	1	1	0	Livestock (cattle-Bonsmara)	Livestock (cattle-Bonsmara)
		OD Farm	Private Company	R5 400 000	526	Valid lease	None	1	2	1	1	Livestock (cattle)	Livestock (cattle- Bonsmara, beef master)
		LD Farm	Family Trust	R1 100 000	290	Valid lease	Inputs worth R1 000 000 (DoA)	1	3	2	1	Livestock (cattle), grain (maize)	Grain (maize) livestock (goats, cattle, pigs)
		LO Farm	Private Company	R8 400 000	846	Expired lease	R2 600 000 RECAP through grain SA	1	1	1	0	Livestock (cattle, sheep), grain (maize, sunflower)	Livestock (cattle, sheep) grain (maize, sunflower)
		VO Farm	Private Company	R2 200 000	606	Expired lease	R2 200 000	1	1	1	0	Grain (maize, wheat) livestock (cattle)	Livestock (cattle)
		IU Farm	Private Company	R3 700 000	328	Valid lease	R3 200 000	1	1	1	0	Livestock (sheep), Grain (sunflower, maize)	Livestock (cattle, horse) Grain (maize, sunflower)
		IO Farm	Private Company	Not known	219	Valid lease	R6 000 000	1	1	1	0	Livestock (cattle)	Legumes (peanuts)
		WS Farm	Private Company	R6 000 000	513	Valid lease	R3 800 000	1	1	1	0	Grain (maize)	Livestock (cattle, sheep) grain (maize)

Table 8: Western Cape, Cape Winelands and West Coast district municipalities list of farms

PROVINCE	DISTRICT	PROJECTS	LEGAL STRUCTURE	PURCHASE PRICE	HECTARES	TENURE STATUS	RECAP & PRODUCTION SUPPORT RESOURCES	PRIMARY BENEFICIARIES ON DATABASE	ACTUAL BENEFICIARIES	MEN	WOMEN	FORMER LAND USE ACTIVITIES	CURRENT LAND USE ACTIVITIES, COMMODITIES
Western Cape	Cape Wine Lands	PM Farm	Co-operative	R46 000 000	977	Valid lease	RECAP R6 700 000 and R1 600 000 by the South African Table Grapes Industry (SATG)	34	34	21	13	Mediterranean Fruit (table grapes)	Mediterranean Fruit (table grapes)
		IR Farm	Co-operative	R34 000 000	300	Valid lease	Recap R7 500 000	19	19	8	11	Mediterranean Fruit (table grapes)	Mediterranean Fruit (table grapes)
		IN Farm	Co-operative	R 19 500 000	39	Expired caretakership	Not known ²⁸	5	5	3	2	Mediterranean Fruit (table grapes)	Mediterranean Fruit (table grapes)
		EL Farm	Private Company	R1 800 000	2	Valid lease	R2 500 000	11	11	8	3	Flower (Water lilies)	Flower (Water lilies)
		OM Farm	Private Company	R8 000 000	22	Valid lease	R3 400 000	2	2	1	1	Deciduous fruit (plums)	Deciduous fruit (plums)
West Coast		AC Farm	Private Company	R13 000 000	1517	Valid lease	RECAP R4 700 000; CASP R1 800 000; and R1 100 000 for a truck, medicine, fencing, water pump, dip tank and solar power	1	1	2	1	Grain (wheat)	Grain (wheat)
		LP Farm	Private Company	R1 800 000	450	Valid lease	R6 100 000	1	1	1	0	Grain (wheat)	Grain (wheat)
		IM Farm	Community Trust	R 3 900 000	60	Valid lease	Not known ²⁹	28	28	9	19	Livestock (dairy cattle)	Livestock (dairy cattle)

28. The respondent insisted that it's a family trust, and he is the only beneficiary. The beneficiaries do not know the amount of the recapitalization funds. It was given to the strategic partner.

29. The beneficiaries do not know the amount of the recapitalization funds. It was given to the strategic partner.

Table 9: KwaZulu-Natal, Umgungundlovu district municipality list of farms

PROVINCE	DISTRICT	PROJECTS	LEGAL STRUCTURE	PURCHASE PRICE	HECTARES	TENURE STATUS	RECAP & PRODUCTION SUPPORT RESOURCES	PRIMARY BENEFICIARIES ON DATABASE	ACTUAL BENEFICIARIES	MEN	WOMEN	FORMER LAND USE ACTIVITIES	CURRENT LAND USE ACTIVITIES, COMMODITIES
KwaZulu-Natal	Umgungundlovu	OT Farm	Private Company	R7 000 000	565	Expired caretakership	RECAP R6 400 000	1	1	1	0	Beef and timber Illovo-sugarcane production	Sugarcane production
		OG Farm	Private Company	Not known	1900	Expired caretakership	DoA Boundary fencing: 80 beef master cattle including 3 bulls	2	2	2	0	Cattle production	Cattle production - Nguni and beef master
		AS2 Farm	Private Company	Not known	401	Expired lease	RECAP R2 200 000	1	4	4	0	Sugarcane production	Sugar cane production
		AS1 Farm	Private Company	Not known	365	Valid lease	R3 800 000	1	4	2	2	Sugarcane production	Sugar cane production
		RB Farm	Private Company	Not known	100	Expired caretakership	DoA R2 400 000 (Dip. meds & feed) and 20 cattle DRDLR	1	5	3	2	Cattle production	Cattle production- Bonsmara and Nguni
		MU Farm	Private Company	Not known	714	Expired caretakership	DoA R2 600 000 and 120 cattle DRDLR	1	1	1	0	Cattle production	Cattle production - Beef Master, Brahman and Nguni cattle
		LE Farm	Private Company	R 2 000 000	258	Expired lease	R1 300 000 RECAP and R90 000 drought relief programme (Dept. of Agric)	1	1	1	0	Cattle production	Cattle production - Bonsmara
		UG Farm	Community Trust	Not known	Do not know	No agreement	None	40	40	26	14	Timber production	Informal selling of timber (Formal production collapsed)
		AM Farm	Private Company	Not known	375	Expired caretakership	None	8	8	8	0	Dairy production	Dairy and vegetable production
		AB Farm	Private Company	Not known	330	Expired caretakership	R2 000 000	1	1	0	1	Crop (maize) and Cattle (Nguni)	Crop and layer production
		MN Farm	Community Trust	Not known	1302	No agreement	None	32	32	18	14	Crops (Potatoes, soybeans, dry beans, butternuts) and fruits (peaches)	No production and dilapidated farm infrastructure

4. PATTERNS OF ACCUMULATION IN RURAL AND LAND REFORM CONTEXTS

Livelihood trajectories are a generally accepted analytical approach to understanding the complex dynamics of impoverishment and accumulation in various rural contexts. Doward et al. (2009) demonstrate how examining different livelihood strategies is key to understanding wider processes of change in rural areas. Two key assumptions underline their formulation of livelihood strategies. Firstly, “people generally aspire to maintain their current welfare and to advance it”. Secondly, “in trying to advance their welfare, people can attempt to expand their existing activities and/or move to new activities” (Doward et al., 2009:242). It is on the basis of these underlying assumptions that Doward et al. (2009) identify key trajectories or accumulation pathways that broadly epitomise the livelihood strategies of rural farmers. The ‘hanging in’ livelihood strategy defines situations whereby “assets are held and activities are engaged in to maintain livelihood levels, often in the face of adverse socio-economic conditions”. ‘Stepping up’ entails “activities engaged in, with investment in assets to expand these activities, in order to increase production and income to improve livelihoods”. Finally, the ‘stepping out’ livelihood strategy, happens when ‘activities are engaged in in order to accumulate assets, which in time can provide a base or ‘launch pad’ for moving into different activities’ (Doward et al., 2009:242-243).

Various scholars have adapted Doward et al. (2009)’s typology to investigate processes of agrarian change in various rural contexts (Scoones et al., 2010; 2012; Vicol, 2019; Olofsson, 2019). Scoones et al. have specifically adapted Doward and colleagues’ typology to map out emerging accumulation trajectories amongst land reform beneficiaries in Zimbabwe (Scoones et al., 2010; Scoones et al., 2012). The different trajectories of accumulation identified by Scoones et al. (2010; 2012) in the Zimbabwean context are key in identifying an emerging agrarian

class structure post-land reform. In Scoones and colleagues’ formulation, four groups of resettled farmers are identified in Zimbabwe’s Masvingo province following land reform. Firstly, there is the ‘hanging in’ category which identifies those farmers who are surviving, but poor. The ‘hanging in’ category also includes crisis and survival strategies. Secondly, some farmers were ‘stepping out’, which refers to diversification away from agriculture, both locally and through migration. Thirdly, some resettled farmers were ‘stepping up’. The ‘stepping up’ trajectory denotes accumulation locally, largely through agriculture. Lastly, there is the ‘dropping out’ category. Adapted from Mushongah (2009), ‘dropping out’ refers to destitute households relying on different forms of social protection. These households are often in the process of exiting farming.

Hall et al. (2017) adapted these livelihood trajectories to map out the processes of agrarian change in the context of commercialisation of agriculture in Africa. However, Hall et al. (2017) also identified an additional key pattern of ‘stepping in’ (Hall et al., 2017) whereby commercialisation is driven by investments from outside agriculture. The different streams of capital inflows into agriculture may include retirement funds, remittances, and ongoing employment. Middle-class farmers, although overlooked, are increasingly becoming important in driving commercialisation in many African countries. The ways in which their entry into farming reshapes agrarian structures, drives land concentration, and accumulation needs to be investigated. This phenomenon speaks to the observation by Bernstein’s (2010) on ‘agrarian capital beyond the farm’. Here, Bernstein (2010) is referring to the many ways in which the agricultural sector is increasingly reliant on non-farming sources for investment. This has profound implications for processes of class formation. Agrarian capital beyond the farm often

involves entry into farming by “urban business (including politicians, civil servants, military officers, and affluent professionals) as well as corporate agro-food capital” (Bernstein, 2010).

4.1. Livelihood trajectories and patterns of accumulation on SLLDP farms

We applied the different accumulation trajectories identified in other rural and land reform contexts. According to Bernstein (2010), “answering the question of which farmers benefit from different agricultural policies, and from processes of agrarian change in capitalism more broadly, involves examining their differentiation”. This exercise combined different strands of evidence. We investigated the long-term livelihood changes through retrospective analysis of life history interview material (Murray 2002). Some of the key themes documented in the life histories include family history, work history and farming history of the beneficiaries including their entry into and experience of the SLLDP programme. We analysed life histories alongside key aspects of the farming enterprises which include production, livelihoods, employment, and access to recapitalisation including the prevailing conditions of farming. We also mapped out the different accumulation pathways amongst the selected land redistribution beneficiaries.

These different typologies are important in mapping out the emerging processes of differentiation on the selected SLLDP farms. We identified key livelihood trajectories to capture the emerging livelihood and accumulation patterns amongst the 62 SLLDP farm beneficiaries we investigated. In the context of this research, we identified five livelihood trajectories which capture the emerging patterns of accumulation amongst the 62 SLLDP farmers. Firstly, there are those SLLDP farm beneficiaries who are ‘dropping out’ of production (10%). Secondly, some SLLDP farmers are in the ‘hanging in’ and non-accumulation category (16%). Thirdly, some SLLDP farmers are ‘stepping up’ or accumulating through

reinvestment of proceeds from farming (19%). Fourthly, there are those SLLDP farmers who are ‘stepping in’ and ‘stepping up’ (44%) (Hall et al., 2017; Scoones et al., 2010; 2012). The ‘stepping in’ and ‘stepping up’ category represents those diversifying into farming and who manage to successfully accumulate (Hall et al., 2017). Lastly, some SLLDP farmers are in the ‘stepping up’ (Scoones et al., 2010 and 2012) through massive state support (11%). Thus, in the ‘stepping up’ category there are three ways in which accumulation occurs, namely through reinvestment of farming proceeds, through bringing in capital from business activities outside of farming, and through privileged access to state support. The farm beneficiaries who are ‘stepping-in’ (Hall et al., 2017) also tend to access production support from the state in addition to their own income or capital resources not derived from farming. The fact that this group of farmers is well-off does not preclude them from accessing state resources.

These trajectories do not fully capture the internal dynamics, power inequalities and exploitative relationships within the farms. For instance, in strategic partnerships, agribusiness partners may benefit from recapitalisation and sustained state support and reinvestment of proceeds is prioritised to grow the farming enterprise. On the contrary, a farm may be prospering without any tangible benefits in the form of dividends or profit-sharing with the beneficiaries. In such cases, ‘stepping up’ or accumulation therefore reflects the overall accumulation trajectory of the entire farm and does not capture the plight of ordinary beneficiaries trapped in these unequal and exploitative relationships.

In the context of this study, the ‘stepping up’ category refers to those farmers who are on an upward trajectory of accumulation. We identify three pathways which denote the different ways in which SLLDP beneficiaries engage in accumulation activities. Some farm beneficiaries step up through reinvestment while others accumulate through access to production support and recapitalisation

multiple times. Within the 'stepping up' category there is also an elite group of farm beneficiaries diversifying into farming and then stepping up ('stepping in' and then 'stepping up'). (See Table 10.)

4.1.1 'Dropping out' of production

Out of the 62 farms, 10% had 'dropped out' (Scoones et al., 2010) of production. Most of the farm worker beneficiaries form part of the SLLDP farmers dropping out of production. Dropping out of production is often caused by lack of production support. The 'dropping out' farmers essentially struggle to maintain a foothold on the farm following the total collapse of production. In cases of production collapse, some beneficiaries may continue to reside on the farm, while others pursue alternative livelihoods in neighbouring farms and towns. Victoria farm dropped out of production, in spite of state support under the auspices of a strategic partnership. When the strategic partner withdrew from the farm, implements and vital farm machinery had been removed and the farm was out of production.

In 2011, the DRDLR purchased Victoria farm, a highly productive 1302 hectares fruit farm from Mr Peters for R28 million. The farm dropped out of production following the failure of a strategic partnership with the 32 farm worker families. Victoria farm consists of two portions called Mooi Farm and Vryburg. Previously Mr Peters owned the Mooi portion of the farm and in 2010, he bought an adjacent farm, Vryburg and combined the two portions to form Victoria farm. On both farms, crops and peach production were the main land use activities, but both farms have potential; for livestock production. Since owning

the two portions of Victoria farm, Mr Peters mainly focused on producing peach fruits and potatoes. Although Mr Peters sold the farm to the DRDLR in 2011, he continued to utilise the land as a lessee until April 2013. A joint venture was immediately introduced, under the auspices of the Agribusiness Development Agency (ADA) to partner with the farm workers. Victoria farm was part of the seven farms that were under a strategic partnership facilitated by the ADA. While Victoria farm was more viable than the other six farms, profits were never reinvested into the farm. The farm worker beneficiaries did not have the details of the profit-sharing agreement. Farm equipment including tractors, trailers, harvesting and sorting machines for potatoes were removed from Victoria farm. Production collapsed and the peach orchards have died. The irrigation equipment and pipes have also been removed. Electricity has been disconnected. From employing 109 permanent workers and an additional 1800 workers during harvest times, the farm has dropped out of production and the workers are struggling to survive.³¹

Farms in the 'dropping out' (Scoones et al., 2010; 2012) of production category usually have dilapidated infrastructure, inhabitable farmhouses, unclear and contested land rights and lack of tenure security. In some cases, the state officials withhold leases and recapitalisation in order to elbow out ordinary people to make way for their preferred beneficiaries. However, in some cases, 'dropping out' (Scoones et al., 2010; 2012) of production has occurred when powerful people not vested in farming have merely accessed land and stripped assets and equipment on the farm.

30. Interview with Jabulani Nkosi, SLLDP Farmer, KwaZulu-Natal, 29/10/2018.

Table 10: Trajectories of accumulation amongst the SLLDP beneficiaries (n =62)

TRAJECTORIES AND PATHWAYS OF ACCUMULATION	WESTERN CAPE		EASTERN CAPE		KWAZULU-NATAL		NORTH WEST		FREE STATE		TOTAL	
	n	%	n	%	n	%	n	%	n	%	n	%
'Dropping out' of production	1	13	1	9	2	18	1	8	1	5	6	10
'Hanging-in' and/or non-accumulation	1	13	2	18	1	9	0	0	6	30	10	16
'Stepping-up' through reinvestment	1	13	3	27	2	18	3	25	3	15	12	19
'Stepping-in' and 'stepping-up' (diversifying into farming)	2	25	5	45	5	45	7	58	8	40	27	44
'Stepping-up' through recapitalisation	3	38	0	0	1	9	1	8	2	10	7	11
TOTAL	8	100	11	100	11	100	12	100	20	100	62	100

TRAJECTORIES AND PATHWAYS OF ACCUMULATION

'Some farms, because of lack of production support, dilapidated infrastructure, uninhabitable farmhouses, unclear and contested land rights, and lack of tenure security, have dropped out of production. Dropping out of production may entail some of the beneficiaries abandoning the farm to pursue alternative livelihoods. In some cases, abandonment has occurred when powerful individuals not vested in farming have merely accessed land and stripped assets and resources off the farm.

Some farmers maintain a foothold on the farm without engaging in meaningful production, without resources, machinery, equipment, and with unclear tenure rights. Often there are contestations on some SLLDP farm beneficiary whereby the original beneficiaries have been sidelined and the farm allocated to a new often elite beneficiary behind their backs. Residing on the property is a way of staking their claim on the farm as bona fide beneficiaries. In a few cases, some politically-connected and economically powerful people intercept and divert resources meant for the farm and this also results in non-accumulation.

Usually, this category includes beneficiaries without any political support or networks to influence the distribution of resources. Using modest amounts of personal resources and their ingenuity, these SLLDP farm beneficiary manage to farm productively and to reinvest modest amounts of resources and growing the farming enterprise gradually from the bottom up. In some cases, state support is provided, only to be intercepted by powerful agribusinesses, state officials, and politicians.

Accumulators would have either had substantial amounts of resources, non-farming income to invest before being allocated a farm and the venture into farming represents the diversification of their business portfolio. This particularly exemplifies the phenomenon of 'agrarian capital beyond the farm' (Bernstein, 2010), whereby off-farm sources of income are increasingly becoming a key source of class formation in agriculture.

In some cases, accumulation is solely tied to the land redistribution programme. These are individuals who had no significant resources before joining SLLDP but still have enough influence and networks to access post-settlement funding, in some cases, multiple times, often accessing different streams of government funding. This group of farmers also forms part of those who are 'stepping up' and are on an upward trajectory of accumulation.

4.1.2. 'Hanging-in' and/or non-accumulation

Farms in the 'hanging in' (Scoones et al., 2010) and non-accumulation category constitute 16% of the total sample of land reform projects investigated in this study. The 'hanging-in' (Scoones et al., 2010) and/or non-accumulation trajectory consists of farmers who are simply maintaining a foothold on the farm and are not engaged in meaningful production. Some key challenges in the 'hanging in' category are the lack of resources, machinery, and equipment to engage in productive farming. The farmers in this accumulation trajectory also have unclear tenure rights. Often there are contestations where the original beneficiaries have been sidelined and the farm allocated to a new often elite beneficiary over their heads. Residing on the property is a way of staking their claim on the farm as bona fide beneficiaries. Mr Mudau of Sifaro Farm in the Free State exemplifies the 'hanging-in' and non-accumulation trajectory.

Mr William Mudau is a 63-year-old former farm labour tenant and beneficiary of a 242 ha (Sifaro) farm in the Free State which he acquired in the year 2002. The farm owner which he worked for sold the farm which led him to settle in a nearby settlement farm. His former employer's daughter who was a young professional at the time found out about the SLLDP programme and 'assisted' him and two other fellow labour tenants in application for farms and established a private company as a legal entity for their farm enterprises. On the basis of lack of business transparency in sharing benefits, Mr Mudau withdrew from the partnership which was facilitated by the daughter of his former employer. Since his withdrawal from the partnership, he looks after his own cattle and has seen direct benefits from his 64 cattle which he sells on auctions. He has not received any post-settlement support as the other two ben-

eficiaries did, his 5-year-lease has expired and has not been renewed to date, he lives in a dilapidated old farm worker house, with no electricity and other basic needs.³¹

As shown above, some farms experience distress as a result of exploitative relationships. In some cases, production support is released but intercepted by the agribusiness partners, or other politically and economically influential individuals trying to wrestle the farm from ordinary beneficiaries. However, in some cases, individual beneficiaries also misappropriate recapitalisation funds. Instead of investing in farming, resources are directed towards conspicuous consumption or other economic activities not related to farming.

4.1.3. Accumulation from below through reinvestment of proceeds from farming

Of the 62 farms in the study sample, 19% are accumulating through reinvestments. Accumulation through reinvestments happens when beneficiaries who access land through SLLDP become accumulators through regular reinvestments of proceeds from the farming enterprise. These farm beneficiaries expand production, increase farm income, and reinvest the profits without support from the state, beyond accessing land through the leasehold system. Accordingly, this group of farm beneficiaries is 'stepping up' (Scoones et al., 2010) through reinvestments. In some cases, support is provided by the state but intercepted by various powerful intermediaries, for instance, agribusiness partners, state officials, and politicians.

Mr Nkonkoba, is a former farm worker who is now a beneficiary of SLLDP. He is an experienced farm manager who has worked on commercial farms for most of his life. He worked for a white farmer

31. Interview with Mr William Mudau, SLLDP beneficiary, Free State, 23/6/2018.

who owned three farms. Mr Nkonkoba managed one of these three farms. He decided to look for a farm of his own. His employer agreed to sell one of his farms to Mr Nkonkoba. The farm owner approached the DRDLR so that they could purchase the farm for Mr Nkonkoba. During the acquisition process, some officials asked the white farmer to inflate the price of the farm, upon which the landowner refused to inflate the price of the farm. The acquisition of the farm stalled and Mr Nkonkoba continued to work for the white farmer. Eventually he managed to find a farm, which was up for sale, in a nearby farming area in KwaZulu-Natal. The department bought it for him through SLLDP, and he moved in with his trusted friend, Mr Dube, whom he had worked with before on the white man's farm. When they got to the farm, they found seven workers. They never received any funding from the department, and therefore could not begin with production. Mr Nkonkoba suggested that they approach a cattle farmer on a neighbouring farm, who was selling his farm, to bring his cattle onto their farm, and they would look after them for a fee payable every month. When approached, the farmer refused, but Mr Nkonkoba insisted until the farmer gave in, but that was after he asked other farmers around if they knew Mr Nkonkoba and could vouch for him. They eventually managed to produce cabbage and maize, and were able to buy 129 sheep from the profits, until they were approached by the department with funding of R8, 5 million. The department brought an accountant, and they were asked to open a joint account with her. She then started to dictate what should be bought and where. In one instance, she wanted to buy an expensive vehicle, which they did not need for farm operations. In another incident she wanted to buy tractors without consulting with the 'new' team made up of Mr Nkonkoba, his friend (Mr Dube) and the seven farm workers.³²

SLLDP farm beneficiaries who invest small proceeds from their farming business as the main strategy of growing the farming enterprise are essentially engaged in accumulation from below (Cousins, 2013). Such farmers generally have no political networks or economic influence that can afford them privileged access to public resources. However, the lack of material support from the state tends to limit the development of these farms.

4.1.4. 'Stepping in' and 'stepping up'

There is also the second category of SLLDP farm beneficiaries who have already amassed substantial capital resources through non-farming investments and business activities. The agricultural sector can include "agrarian capital beyond the farm", investment in land and farming by urban business professionals (including politicians, civil servants, military officers, and affluent professionals) as well as corporate agro-food capital. This group diversifies into farming bringing in capital from beyond the farm. They also gain access to more resources through extensive support from the state. As such, they are in the 'stepping-in' (Hall et al., 2017) and 'stepping-up' (Scoones et al., 2010) livelihood trajectory.

Mr Dlamini is a prominent business elite with interests in the entertainment and property sectors in the Free State. He also has significant social networks with politicians and state bureaucrats. Because of his proximity to and access to political and economic elite he is locally known as 'the star close to the moon'. Mr Dlamini was actively encouraged to diversify into farming, by one of his close associates, Mr Ndlovu, a state veterinarian. Mr Ndlovu introduced him to important contacts in the livestock sector to develop his knowledge of livestock production. The state veterinarian facilitated the purchase of 20 calves for R50 000 by

32. Interview with Mr Nkonkoba, SLLDP beneficiary, KwaZulu-Natal, 24/5/2018.

Mr Dlamini and also identified commonage land in Welkom where he could keep his cattle. During the LRAD programme, Mr Dlamini identified a farm (330 hectares in size) with a selling price of R750 000. During the process of applying for a bank loan to purchase the farm, a DRDLR official informed Mr Dlamini about land reform farms in the province. Through the LRAD programme, the DRDLR offered Mr Dlamini R500 000 towards the payment for a R750 000 farm. He raised the remaining R250 000 through a bank loan. Mr Dlamini fully owns the LRAD farm. In 2016, Mr Dlamini successfully applied to farm two portions of land reform farms through the SLLDP programme. Following a drought, Mr Dlamini was able to secure a meeting with the Minister of the DRDLR to receive drought relief assistance. Following the meeting, Mr Dlamini was allocated two portions of land through the SLLDP programme. Mr Dlamini is also facilitating the implementation of a state-sponsored farmer support programme in the Free State, which focuses on livestock production.³³

The farm beneficiary in the 'stepping in' (Hall et al., 2017) and 'stepping up' (Scoones et al., 2010) category are essentially well-off individuals diversifying into farming and bringing in capital from various non-farming income sources. However, having access to their own capital resources does not preclude them from accessing state support. Some of these farmers, as is the case with Mr Dlamini, still manage to access significant production support from the state. Access to state resources serves to consolidate their position as accumulators. However, the predominance of well-off individuals who are diversifying into farming is happening alongside the exclusion of the poor, for instance, rural households, smallholders and communal area farmers.

4.1.5. 'Stepping up' through recapitalisation

The third 'stepping up' (Scoones et al., 2010) category are farmers who are on an upward trajectory of accumulation solely through extensive state support. The 'stepping up' (Scoones et al., 2010) through recapitalisation accumulation trajectory constitutes 11% of the 62 SLLDP farm beneficiaries in the study sample. Some of the farm beneficiaries in this group access different streams of funding from various state agencies. Mrs Ntabiseng Khutsong in the North West province epitomises the 'stepping up' through massive state support accumulation trajectory.

Mrs Khutsong, a former civil servant, currently acts on a higher level committee of an agricultural research institute and has premium membership in a regional agricultural producers' association. She initially leased 1900 hectares in 2008 and the farm is located on municipal commonage land in one of North West's local municipalities. On the 1900 hectare farm, she kept a herd of 24 Nguni cattle provided by the state through a farmer support programme run by the national Department of Agriculture and the Industrial Development Corporation. In 2010, she applied to lease a farm through the SLLDP programme. The DRDLR issued her a lease for an 1855 hectare farm acquired for R9 million in 2011 and subsequently, in 2015, provided recapitalisation totalling R2.9 million. Mrs Khutsong acquired 40 Bonsmara cattle from the recapitalisation funds and the remainder was invested in farm improvements. The Small Enterprise Development Agency (SEDA) provided additional recapitalisation funds totalling R600 000 for greenhouse structures for the horticultural enterprise on the farm. Mrs Khutsong has also obtained additional funding from the National Emergent Red Meat Producers Association (NEPRO) to buy more cattle. Currently,

33. Interview with Mr Dlamini, SLLDP beneficiary, North West, 26/07/2018.

Mrs Khutsong fully concentrates on breeding Bonsmara beef cattle and has since abandoned the Nguni breed. The farmer has a herd of 189 Bonsmara cattle, 150 calves, and intends to have 300 Bonsmara cattle in the near future. She has also diversified into intensive vegetable production following funding to build two large greenhouses. In addition to the beef and horticulture enterprises, there is a highly productive poultry enterprise on the farm. Mrs Khutsong currently employs four full-time workers on the farm. Mrs Khutsong did not have significant non-farm investments but has accessed different streams of funding from various state agencies. This explains her upward trajectory of accumulation ('stepping up' through massive state support).³⁴

Mrs Khutsong’s case illustrates instances where SLLDP farm beneficiaries have privileged access to public resources, often through their social and political networks. Accumulation in such cases is predicated on accessing public resources multiple times and often from different streams of government funding. This results in the skewed distribution of public resources in land redistribution and the

‘accumulation of the few’ (Aliber and Hall, 2012).

These different accumulation pathways generally denote the constraints and prospects of these farmers including their overall aspirations. The different livelihood strategies also reflect the emerging processes of differentiation amongst the beneficiaries of land reform. An analysis of these accumulation pathways reveals who are the winners and who are the losers and why. Overall, a picture of which group of farmers benefits more from land redistribution emerges.

5. Beneficiary targeting within the SLLDP

The SLLDP (2013)³⁵ broadly identifies the historically disadvantaged groups namely the Africans, Coloureds and Indians as target beneficiaries of land reform. In terms of the SLLDP (2013:13) there are four different groups (differing based on the scale of farming) that qualify to lease land from the state (see Table 11). Large-scale commercial farmers, medium-scale farmers, smallholder producers and landless or land poor households are identified as the different scales of farming that the policy is meant to prioritise (DRDLR, 2013:13).

Table 11: Different categories of farmers identified in the SLLDP (DRDLR, 2013:13)

Categories	Features of target beneficiaries	Policy emphasis
1	Households with limited or no access to land.	Multiple livelihoods, food security, enhancing household welfare.
2	Small-scale or subsistence farmers.	Multiple livelihoods, households welfare, production of small surplus or marketed output.
3	Medium-scale commercial farmers who have been farming commercially for some time.	‘Viable’ business plans, economic returns and profitability.
4	Large-scale, well-established commercial farmers who have been farming on a reasonable commercial scale.	‘Viable’ business plans, maximising economic returns and profitability.

34. Interview with Mrs Khutsong, SLLDP beneficiary, North West, 4/10/2018.

35. A new SLLDP was signed in March 2019. However, the introduction of the new SLLDP in March 2019 was done without any public consultations. At the time the SLLDP was signed, it had not been publicised or advertised and had not been made available online. The policy was also not shared with the land reform beneficiaries.

The SLLDP policy acknowledges the different scales of farming amongst the historically disadvantaged groups (DRDLR, 2013). However, in terms of official practices, commercial success remains an overriding goal which influences beneficiary targeting and selection. In line with the MALR, the 'fittest beneficiaries' are often targeted and selected (Deininger, 1999). These are beneficiaries who possess the material resources, knowledge, and information to engage in large-scale commercial farming. In all the five provinces, officials indicated that beneficiaries who own cattle and demonstrate the ability to mobilise financial and other agricultural resources, are given priority. A viable business plan which shows potential for high economic returns and profitability is also a key consideration.

Questions on beneficiary selection especially what attributes or criteria are used to qualify beneficiaries were posed to government officials in the selected provinces. Officials reflected on what constitutes an ideal SLLDP beneficiary. Most of the interviewed officials emphasised that prospective beneficiaries needed to demonstrate the potential to successfully engage in large-scale commercial farming. The emphasis amongst most officials was on farming as a business. This tends to have implications for the type of beneficiaries who ultimately qualify for land within the SLLDP. Prospective beneficiaries need to have a sizeable amount of their own agricultural resources and capital, develop a feasible business plan, and foster partnerships with agribusinesses. In most cases, people who are already established and have already owned land, or benefited from other government programmes, were selected. Some of the beneficiaries had occupied land on municipal commonages before leasing land through SLLDP. Others had benefited from LRAD but still accessed land through the SLLDP programme.

However, smallholder producers, poor rural households and farm workers have often been

overlooked. This is because these groups lack material resources, knowledge, and information to engage in large-scale commercial farming. Some state officials viewed the SLLDP programme as targeting the 'fittest' beneficiaries who have the potential to perform better as large-scale commercial farmers. According to an official in the North West:

Previously, with SLAG and LRAD, we used to deal with groups, but with SLLDP any individual can apply as long as you are above 18 years of age and own cattle. The SLLDP programme has improved the level of farmers because with the SLLDP programme we have commercial farmers. With SLLDP you have to work because you have to pay rent for the land you are leasing.³⁶

Questions around the understanding of what constitutes viable and successful farming were posed to the officials within the five selected provinces. Most officials within the DRDLR revealed that successful farming is conceived in terms of large-scale commercial farming predicated on profitability. Reflecting on how the SLLDP is distinct from previous programmes in terms of beneficiary identification and targeting, a Free State DRDLR manager argues that:

Farming is a business. Some of the beneficiaries settled on the land are not business-minded. They got into the SLLDP programme with a different understanding about farming. Some view it as status to have a farm. They forget that a farm has to be viable and sustainable. The moment the farm that you were given is no longer producing, the food supply and security of the country is affected. We had a problem with previous land reform programmes. The poorest of the poor flocked into land reform in previous programmes because they thought that it is another way of getting jobs. Land can create jobs if somebody works it. Land needs

36. Ms Mgorosi Modise, DRDLR Official, North West, 09/10/18.

*to be used. It needs to be worked. The main problem with previous programmes like SLAG and LRAD was that we gave land to anyone. We should have given land to the best people.*³⁷

Maximising productivity and economic returns is in itself not a problem. However, policy practices which exclusively focus on the need to maximise profits while excluding other key objectives in land reform are problematic. Also significant is the equitable access to land which is provided for in Section 25 (5) of the Constitution. Amongst the historically disadvantaged groups are the communal area farmers, the landless, the land poor, women, the youth, and farm workers. These social groups may not necessarily require land for high-value, medium-scale and large-scale commercial farming in categories 3 and 4, respectively. Some poor groups among the historically disadvantaged require land to support multiple livelihoods, enhance household food security, and alleviate poverty. Among the 62 farms that were investigated, there was no subdivision of land to accommodate smallholder producers or the landless households. Large-scale commercial farming, mainly involved the continuation of previous land use activities, is the predominant pattern. Farm workers are partnered with agribusinesses to ensure the continuity in high-value, large-scale commercial agriculture and related land use activities. Various well-off individuals interested in large-scale commercial farming form the majority of beneficiaries within the SLLDP programme. Land reform provides an avenue for accumulation for those economically prosperous individuals diversifying into farming in order to accumulate more.

5.1. Beneficiary selection processes within the SLLDP

Chapter 7 of the SLLDP outlines the process of selecting lessees for agricultural land. According

to the SLLDP, “the recommended lessees should have been selected from an updated district database of potential lessees. Such a database shall be maintained by the Director: Land Reform” (DRDLR, 2013:16). The SLLDP further states that “in the absence of a district database of potential lessees, the Director: Land Reform shall apply transparent mechanisms to ensure that such a database exists. Such mechanisms may include advertisements in local newspapers” (DRDLR, 2013:16). Evidence from this research shows that the advertising of farms in local newspapers and shortlisting the applicants for interviews is the widely used method. In all the provinces, the use of systematic and up-to-date databases had been abandoned or was in the process of being abandoned.

In the North West, Free State, and KwaZulu-Natal provinces, databases were seen as problematic because of the large demand for land. Some officials indicated that registering prospective beneficiaries on the database tends to raise expectations amongst the applicants. Selection committees tend to change the criteria for selection with every meeting to select beneficiaries and this causes discontent amongst those who have not qualified. Also, the lack of a systematically managed, up-to-date database was identified as a key problem.

Concerning identifying the beneficiaries, the Free State has a new process in place, which the North West DRDLR also uses. The Department has opted not to use the database system to identify beneficiaries. This is because a database changes all the time, often contains inadequate information about beneficiaries, and it is not updated. The new system requires them to advertise farms to candidate beneficiaries through a local newspaper. The Department’s District Selection Committee and the District Land Reform Committee (DLRC) then shortlist candidate beneficiaries and

37. Mr Tsepo Mopeli, DRDLR Official, Free State, 10/10/2018.

38. Mr Tumisho Leballo, DRDLR Official, Free State, 18/6/2018.

*invite them for interviews.*³⁸

The DLRCs are important in identifying available land and matching it with beneficiaries. However, the various role players who form part of DLRCs, for instance, commodity associations, farmers' associations, government officials, and local government tend to push for the interests of their groups and this may not coincide with the interests of the poor and landless. In the North West and the Free State, interviews with government officials and DLRC members indicated that the DLRCs have in some cases been used as a conduit to distribute resources among politically-connected and economically powerful people connected to the DLRCs.

*The DLRCs are going to be disbanded because when you bring farmers from outside they usually have interests in the process of land allocation. The payment of stipends or sitting allowances to DLRC members is also an issue. You cannot have outsiders taking decisions for the Department. That cannot be correct. It is like taking someone who is hungry. They are farmers in their own right and obviously they will want land for themselves. Obviously, they have vested interests and may not be objective in the way they make decisions.*³⁹

There are no significant variations across the five provinces with respect to the identification of target beneficiaries. However, in the North West and Free State the database system has been abandoned altogether in favour of advertising available land in local newspapers. As a result of the overwhelming demand for land, the database system raises expectations among prospective beneficiaries who would have registered their names.

*When we started implementing the SLLDP programme, we were using a database to identify potential beneficiaries. But with the database, applicants who would have applied for land from the DRDLR some years back would raise concerns as to why they were still on the waiting list. Some of the prospective beneficiaries remain on the waiting list because their livestock numbers would be very low or their livestock numbers might have changed before they could access land. At times the available farms simply did not meet their needs. There were many people on the database.*⁴⁰

There is an overwhelming demand for land by people interested in smallholder farming and multipurpose land use activities.⁴¹ However, in practice, state officials have tended to prioritise well-off beneficiaries. Some officials have argued that the databases are essentially a 'catch all approach'⁴² which often includes groups that may not necessarily be interested in commercialisation or do not have the resources to venture into commercial farming.⁴³

In all the five provinces, access to capital and agricultural resources enhanced the chances for beneficiaries to qualify for land under the SLLDP programme. The broader SLLDP policy identifies four different scales of farming from landless or land poor households to large-scale commercial producers at the higher end. In practice, research evidence from the five provinces demonstrates that at the centre of the implementation of the SLLDP programme is the idea of farming as a business whereby the large-scale commercial farming model is seen as more 'viable' (Cousins and Scoones, 2010). Commercially 'viable'

39. Mr Phakeng Malebogo, DRDLR Official, North West, 10/10/18.

40. Mr Taung Hlope, DRDLR official, North West, 10/10/18.

41. In all five provinces officials indicated that the databases create a lot of expectations on the part of the applicants since this system has previously resulted in a long waiting list of prospective beneficiaries.

42. Some officials argued that the early years of land reform, specifically the Settlement and Land Acquisition Grant (SLAG) required beneficiaries to be means-tested to ascertain their eligibility, which resulted in 'unfit' beneficiaries being included in land redistribution.

43. Insights from key informant interviews with state officials elicited information on conceptions of success and failure in land reform and by implication what sort of beneficiary is considered to be ideal. In all seven districts, the prevailing notion of success is that of large-scale commercial agriculture and well-resourced individuals with the capacity to mobilise capital and key agricultural resources are prioritised.

business plans for large-scale agricultural production are prioritised compared to applications for land with the aim of practicing small-scale farming. Large-scale commercial agriculture is an important component of South Africa’s agrarian structure. However, the exclusive focus on large-scale commercial production in land reform undermines equitable access to land. Other equally important groups that should be prioritised are the landless, the land poor, and market-oriented smallholder producers within the SLLDP programme.

5.2. Lead agents in land identification

This study sought to map out the different ways through which land is identified within the SLLDP programme. Insights on land identification processes were gathered from beneficiaries and state officials. Within the SLLDP, farmland is acquired by the state, but the process of identifying the farms is driven by different lead agents in different ways. The lead agents

in land identification include the state, applicants, strategic partners and market mechanisms which include estate agents and landowners. Out of the 62 SLLDP farms researched, 36 (58%) were identified by the state (see Table 12). In such cases, the state takes a lead role from land identification to acquisition and allocation. The beneficiaries become part of the process when the farm is advertised for allocation. Most of the farms, where the state was the lead agent in land identification, are allocated to well-off individuals diversifying into farming (47%). This is the ‘stepping in’ and ‘stepping up’ accumulation pathway (Scoones et al., 2010; Hall et al., 2017). In some cases, the applicants themselves are the lead agent in identifying farms for acquisition. Data shows that 26% of the farms were identified by the applicants. In this method, the farm is presented to the state by the applicant for acquisition. Once the farm has been acquired it is allocated to that applicant.

Table 12: Lead agents in land identification and accumulation trajectories (n=62)

ACCUMULATION TRAJECTORY	LEAD AGENTS								TOTAL	
	STATE		APPLICANT		STRATEGIC PARTNER		MARKET (ESTATE AGENTS / FARM OWNER)			
	n	%	n	%	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	4	11	0	0	0	0	2	40	6	10
'HANGING-IN' AND NON-ACCUMULATION	4	11	2	13	4	80	0	0	10	16
'STEPPING UP' THROUGH REINVESTMENT	8	22	3	19	1	20	0	0	12	19
'STEPPING IN' AND 'STEPPING UP'	17	47	9	56	0	0	1	20	27	44
'STEPPING UP' THROUGH RECAPITALISATION	3	8	2	13	0	0	2	40	7	11
TOTAL	36	100	16	100	5	100	5	100	62	100
% OF TOTAL SAMPLE	58		26		8		8		100	

Well-off individuals diversifying into farming ('stepping in' and 'stepping up') also constitute the majority (56%) of applicants who identify farms and have those farms purchased for them. Urban-based business professionals who have amassed significant wealth outside of agriculture often use land reform as an opportunity to diversify into farming. Strategic partners also identify farms for acquisition by the DRDLR, often with the view of forming a business partnership with the beneficiaries, after land transfer. Non-elite beneficiaries who include farm workers are usually targeted for partnerships by agribusinesses and entrepreneurs within the land reform sector. Most of the land identified through market mechanisms was allocated to farmers in the 'stepping up' through recapitalisation trajectory (40%), and those 'dropping out' of production (40%) and those who are 'stepping up' through massive state support or recapitalisation (20%).

5.3. Legal entities

In all the five provinces, most SLLDP farm beneficiaries applied for land as individuals. However, after being allocated land, individual applicants form some structures, usually family trusts, cooperatives or private companies through which they run the farming

enterprises. More than half of the SLLDP beneficiaries (63%) operate their farms as private companies, while a smaller proportion operates their farms as cooperatives (16%). The remainder of the beneficiaries operate the farms as family trusts (8%), including community trusts (3%). Beneficiaries who operate the farms as individuals with no legal entity constitute the remaining 10% of the farms. Pre-existing groups, like farm workers or farm dwellers, tend to enter the SLLDP programme as cooperatives or community trusts (Table 13). Most of the farms operated as private companies (54%) are in the hands of elite beneficiaries diversifying into farming ('stepping in' and 'stepping up'). A few of these farmers also tend to operate farms through family trusts. The rationale for operating as private companies and family trusts is not solely for economic reasons. Operating the farm as a private company and family trust as opposed to an individual beneficiary allows for the substantive inclusion of family members in farm operations. This is opposed to their participation as mere family labour. Some beneficiaries argued that establishing private companies or family trusts may demonstrate to the state that farming operations will continue if the primary beneficiary is incapacitated or deceased.

Table 13: Legal entities registered by SLLDP farmers and accumulation trajectories (n=62)

ACCUMULATION TRAJECTORY	PRIVATE COMPANY		COOPERATIVE		FAMILY TRUST		INDIVIDUAL - NO LEGAL ENTITY		COMMUNITY TRUST		TOTAL	
	n	%	n	%	n	%	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	1	3	3	30	0	0	1	17	1	50	6	10
'HANGING-IN' AND NON-ACCUMULATION	6	15	2	20	0	0	2	33	0	0	10	16
'STEPPING UP' THROUGH REINVESTMENT	6	15	2	20	0	0	3	50	1	50	12	19
'STEPPING IN' AND 'STEPPING UP'	21	54	1	10	5	100	0	0	0	0	27	44
'STEPPING UP' THROUGH RECAPITALISATION	5	13	2	20	0	0	0	0	0	0	7	11
TOTAL	39	100	10	100	5	100	6	100	2	100	62	100
% OF TOTAL SAMPLE	63		16		8		10		3		100	

The issuing of long-term leases, as opposed to granting full ownership of farms, forms a prevailing sense of insecurity among the SLLDP farm beneficiaries. There is no clear pathway or set of criteria that clearly specifies how and when the option to purchase a farm and ‘graduate’ out of the lease arrangement may be exercised. Some beneficiaries fear that the state may reclaim the farm in the event that they are deceased or incapacitated. Remarks by one SLLDP farm beneficiary in the North West province are relevant in this respect:

The lease contract is in the family cooperative’s name. This is to ensure that there is a succession plan. I am just the representative of the company. But should my life be cut short, my family will continue with the business. This is better. Unlike when it is only my name, as an individual, on the lease document. My understanding of the contract is that if you pass on the state takes the farm back and reallocates it. But when it is in the company’s name, the farm will not be taken back, as long as there is a succession plan.⁴⁴

The fears and uncertainty around the succession issue were expressed by SLLDP farm beneficiaries in several cases. The registering of legal entities and inclusion of

family members in the operations of the farms reflects attempts to navigate the legal precariousness and insecurity around succession. In the North West, it was constantly communicated that the SLLDP farms remain state property and as such the state has the discretion to reallocate the farm to a new beneficiary. DRDLR officials in the North West argued that, state land is not for inheritance and there is no guarantee that it will remain in the family when the primary beneficiary is deceased.

5.4. Gender representation on SLLDP farms

We analysed the participation of women in the SLLDP programme. The participation of women is central to questions around who benefits from land reform in South Africa. Women either participate as primary beneficiaries to whom land is allocated or they may be the leaders in pre-existing groups like farm workers’ cooperatives. Our analysis of the gender patterns within the SLLDP programme sought to identify those women who applied for land as primary beneficiaries. In the case of pre-existing groups like farm workers’ cooperatives, it is also important to know whether women are in leadership positions which may allow them to influence decision-making processes.

Table 14: Gender distribution of SLLDP farmers across accumulation trajectories (n =62)

ACCUMULATION TRAJECTORY	MEN ⁴⁵		WOMEN ⁴⁶		TOTAL	
	n	%	n	%	n	%
‘DROPPING OUT’ OF PRODUCTION	4	8	2	17	6	10
‘HANGING-IN’ AND NON-ACCUMULATION	7	14	3	25	10	16
‘STEPPING UP’ THROUGH REINVESTMENT	9	18	3	25	12	19
‘STEPPING IN’ AND ‘STEPPING UP’	25	50	2	17	27	44
‘STEPPING UP’ THROUGH RECAPITALISATION	5	10	2	17	7	11
TOTAL	50	100	12	100	62	100
% OF TOTAL SAMPLE	81		19			

44. Mrs Baboloki Khoza, SLLDP Farmer, North West, 4/10/2018.
 45. Out of the 50 (81%) farms that are being leased by men, there are 9 farms that are being leased to pre-existing groups (farm workers and community cooperatives) that are led by men. These men did not access the farms as individuals beneficiaries but are the merely leaders of the groups.
 46. Out of the 12 (19%) farms allocated to women, 2 farms were allocated to two pre-existing groups (one community cooperative and a farm workers’ group) that are led by women. These women did not access the farms as individuals but are merely the leaders of the groups.

On the farms, men tend to be in supervisory positions and when strategic partnerships are introduced they are better positioned to assume the leadership of the cooperatives compared to women. A large proportion (81%) of the SLLDP farms investigated in this research were allocated to males (see Table 14). More importantly, half of the farms allocated to men are being leased by elite men who are diversifying into farming and are in the 'stepping in' and 'stepping up' accumulation trajectory (Hall et al., 2017; Scoones et al., 2010; 2012). Women only constitute 19% of the SLLDP farm beneficiaries in this study sample.

This shows poor inclusion of women in land redistribution. The high entry barriers inherent in the design of the SLLDP programme has had the overall effect of excluding women and young people who lack experience in farming and agricultural resources in the form of farming implements and livestock. These are some of the key requirements

which take precedence in ascertaining the suitability of prospective applicants to qualify for land through SLLDP.

5.5 Average land size amongst SLLDP farmers in different accumulation trajectories

Most SLLDP farm beneficiaries are well-off people interested in large-scale commercial farming as a means to accumulate wealth. Policy biases in favour of commercial success also discourage subdivision of farms and inadvertently provides an opportunity to economically prosperous individuals interested in owning large farms (Aliber et al., 2016). Research findings reveal an uneven distribution of land amongst the farmers in different accumulation trajectories. Out of the 62 farms investigated, data on land size was obtained for 59 farms. The total number of hectares for the 59 farms is 60 715 (see Table 15).

Table 15: Average size of land held by SLLDP farmers in different accumulation trajectories (n=62)

ACCUMULATION TRAJECTORY	TOTAL N	VALID N	MEAN (HA)	MINIMUM (HA)	MAXIMUM (HA)	SUM (HA)	SUM (HA) %
'DROPPING OUT' OF PRODUCTION	6	5	662	39	1 302	3 312	6
'HANGING-IN' AND NON-ACCUMULATION	10	10	617	2	2 470	6 173	10
'STEPPING UP' THROUGH REINVESTMENT	12	11	1 328	60	3 100	14 610	24
'STEPPING IN' AND 'STEPPING UP'	27	26	1 167	22	8 400	30 336	50
'STEPPING UP' THROUGH RECAPITALISATION	7	7	898	300	1 517	6 284	10
TOTAL	62	59				60 715	100

The distribution of land in terms of hectares amongst farmers in different accumulation trajectories reveals interesting patterns. Half of the land (50%) was allocated to well-off individuals diversifying into farming (those 'stepping in' and 'stepping up'). Another 10% of the 60 715 ha is allocated to individuals stepping up though massive state support or recapitalisation. Politically-connected and economically powerful individuals, local leaders and former state bureaucrats

often enjoy privileged access to production support ahead of ordinary beneficiaries. These two groups of influential farmers collectively occupy 60% of the land which has been acquired through the SLLDP programme. The beneficiaries that are 'dropping out' of farming received only 6% of the total hectares acquired while those who are in the 'hanging in' category hold 10% of the total land acquired on the 59 SLLDP farms for which data on land size is available.

5.6. Land use activities

This research study investigated the different land use activities on SLLDP farms. In most of the land reform projects across the five provinces, beneficiaries continued with the land use activities of the previous owner. Most of the farms (60%) concentrate on livestock production, specifically beef production (see Table 16). Interestingly, the majority of SLLDP farm beneficiaries (57%) engaged in livestock production are business owners diversifying into farming ('stepping in' and 'stepping up'). Bonsmara cattle are

the most common type of breed on the SLLDP farms, especially in the North West and Free State. Farmers argued that the Bonsmara breed performs better at the feedlot than mixed breeds and indigenous cattle like the Nguni. The SLLDP farm beneficiaries 'stepping up' through reinvestment are proportionally the second largest group of farmers (22%) accumulating through cattle production. Importantly, none of the farmers engaged in livestock production 'dropped out' of farming.

Table 16: Land use activities on SLLDP farms with different accumulation trajectories (n =62)

ACCUMULATION TRAJECTORY	LIVESTOCK		MIXED FARMING		SUGARCANE		FLOWERS		GRAPES		PEANUTS		GAME		OLD AGE HOME		NO PRODUCTION		TOTAL	
	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	100	5	100	6	10
'HANGING-IN' AND NON-ACCUMULATION	5	14	3	30	0	0	1	50	0	0	1	100	0	0	0	0	0	0	10	16
'STEPPING UP' THROUGH REINVESTMENT	8	22	4	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	19
'STEPPING IN' AND 'STEPPING UP'	21	57	2	20	2	67	1	50	0	0	0	0	1	100	0	0	0	0	27	44
'STEPPING UP' THROUGH RECAPITALISATION	3	8	1	10	1	33	0	0	2	100	0	0	0	0	0	0	0	0	7	11
TOTAL	37	100	10	100	3	100	2	100	2	100	1	100	1	100	1	100	5	100	62	
% OF TOTAL SAMPLE	60		16		5		3		3		2		2		2		8		100	

Livestock production has relatively lower entry barriers and is attractive for well-off business owners who want to further their accumulation through farming. In contrast, high-value and or export-oriented agriculture has high entry barriers, for instance, horticulture, grape and olive production. In most cases, these high-value agricultural activities are dominated by agribusinesses who often enter into partnerships with farm workers.

In all provinces, about 16% of all the beneficiaries interviewed engage in mixed farming which includes a combination of commodities such as livestock, grain, vegetables, olives, grapes, and game (see Table 16). Mixed farming is dominated by those

who are 'stepping up' through reinvestment (40%). Land use activities in these farm enterprises often include livestock production and cropping (grain and vegetable production) including, in some instances olives, grapes and game farming.

5.7 The lease system within the SLLDP

Across the five provinces, the lease system within the SLLDP programme has been a subject of intense discussion among both officials and the SLLDP farm beneficiaries. One of the underlying reasons why the state has opted to retain ownership of land and only lease out land to the beneficiaries is the fear that with title deeds people may sell the land and

undermine land reform. One official in the Free State captures the predominant thinking in relation to the lease system as a safeguard against the possibility of beneficiaries selling their land.

It is like you benefit from your father's inheritance but there are terms and conditions. One of the conditions could be that the house you inherit cannot be sold for a period of 90 years. It means it will benefit future generations. Now for us as black people, we are still struggling. We are still in need of money. We are a generation in the transitional period. We have historically been poor. Those who will come after us, maybe 20 years from now will be

*better off. They will also be able to make informed decisions and not sell off land. For now, land is not in the hands of the blacks but in the hands of the government.*⁴⁷

Across the five provinces, close to half of SLLDP farmers had not received long-term leases from the government to secure their tenure rights. In some cases, people occupied land on the basis of verbal agreements or had only been issued caretakership but have not transitioned to leasing the land and obtaining documentation to confirm such rights (see Table 17). Those who had leases had been issued short-term leases which had expired when the probation period elapsed.

Table 17: Tenure status of farms with different accumulation trajectories (n=62)

ACCUMULATION TRAJECTORY	VALID LEASE		VALID CARETAKERSHIP		EXPIRED LEASE		EXPIRED CARETAKERSHIP		NO LEASE AGREEMENT		TOTAL	
	n	%	n	%	n	%	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	0	0	0	0	1	10	2	22	3	33	6	10
'HANGING-IN' AND NON-ACCUMULATION	4	12	0	0	3	30	1	11	2	22	10	16
'STEPPING UP' THROUGH REINVESTMENT	6	18	0	0	1	10	4	44	1	11	12	19
'STEPPING IN' AND 'STEPPING UP'	18	55	0	0	4	40	2	22	3	33	27	44
'STEPPING UP' THROUGH RECAPITALISATION	5	15	1	100	1	10	0	0	0	0	7	11
TOTAL	33	100	1	100	10	100	9	100	9	100	62	100
% OF TOTAL SAMPLE	53,2		1,6		16,1		14,5		14,5		100	

The lack of valid leases is most prevalent in KwaZulu-Natal and the Eastern Cape provinces. It is worth noting that a 33 (53%) of the 62 SLLDP beneficiaries had valid leases. However, among those with valid leases, 55%, are in the group of elite farmers diversifying into farming ('stepping in' and 'stepping up'). All the farms that dropped out of production either had no lease agreement, or had expired or unsigned lease

agreements, or the caretakership had not been renewed (see Table 17). The delays in the issuing of leases are linked to the bureaucratic processes involved in the process which requires approval at various levels by different officials.

However, there is a tendency for officials to withhold leases or delay the process of issuing leases when they are eyeing the farm for their relations or

47. Mr Kabelo Kgoro, DRDLR Official, Free State, 10/10/2018.

people within their social, economic and political networks. This has been evident especially with three SLLDP farms leased to farm workers in KwaZulu-Natal. The three farm worker groups have been confined to expired caretakerships without clear explanations why they are not issued with valid, long-term leases alongside fellow SLLDP farm beneficiaries. Different business professionals ended up utilising the land under the pretext of a partnership with the farm workers. The various itinerant strategic partners have failed to resuscitate the farms and instead removed farm machinery. However, the exact terms of these partnerships are not clarified to the farm workers. It remains unclear whether or not the farm workers will be allowed to transition from a caretakership or not. In the process, production support and recapitalisation funds are siphoned by the agribusiness elite in connivance with state officials. Withholding leases in such cases is not exactly linked to bureaucratic inefficiencies, but has a lot to do with rent-seeking practices and corruption on the part of the state officials involved.

5.8. Lease system and long-term investment in farming

The lease system itself remains a major disincentive for the land reform beneficiaries interested in long-term investments. Financial institutions do not accept the SLLDP leases as collateral security. This prevailing sense of insecurity also deters most of the SLLDP farm beneficiaries from investing their own resources into their farming enterprises. The few farmers who had been able to secure financial support from banks had used their personal private property as collateral security. They were also in secure long-term employment. A few others are former high-level state bureaucrats who could still activate their social networks to secure funding from various development finance or agricultural banks. Former state bureaucrats had the advantage of timeously accessing to recapitalisation funds from the SLLDP programme.

Accordingly, there is a general consensus among the interviewed SLLDP farm beneficiaries across the

five provinces that full ownership of land is the feasible option. The current leasehold system is making it difficult and constrains long-term investment. In one instance, a farmer who approved of the leasehold system still hoped that this was a transitional phase. The farmer argued that the state could be temporarily issuing leases in order to resolve issues around the expropriation of land. After the expropriation of land proceeds, the state could possibly implement a programme conferring full ownership rights to land reform beneficiaries.⁴⁸

Besides affecting individual farmers, tenure insecurity on SLLDP farms has more adverse effects for certain types of farming activities. Some agricultural activities are inherently long-term in nature. These farming activities require substantial amounts of initial capital outlay. They also have a long lag period before they can break-even or yield returns on initial investments. These sets of constraints are common with some capital-intensive, high-value, and export-oriented agricultural activities. In the Western Cape Province, grapevines, orchards or fruit trees are essentially long-term crops requiring a long-term perspective when it comes to take-off and profitability.

In all five provinces, farmers raised concerns about how the SLLDP policy is blind to the inter-generational aspect of farming. Successive family generations build on and invest in farming enterprises across decades. However, this long-term outlook and the commitment to farming are greatly undermined by the precariousness of the lease system. Farm beneficiaries argued that they frequently agonised about succession issues. In the North West, farmers noted that the government officials had on various occasions argued that the SLLDP farms are not for inheritance.

There are few instances where family members have taken over the farm after a beneficiary passed on. Yet this has done little to set precedence around inheritance and succession issues on SLLDP farms. The few cases where SLLDP beneficiaries take over a lease through inheritance have done little to assure beneficiaries that there will not be instances of corruption. Some farm beneficiaries fear that their

48. Interview with Mr Mmusi Mokoena, Provincial AFASA leader and SLLDP farmer, North West Province 1/10/2018.

lease may be allocated to someone else outside of the family when they are deceased.

The persistent insecurities are further amplified by the confusion around the contractual clause on farm improvements. The lease agreements require the beneficiaries to seek written permission from the DRDLR before investing in any farm improvements. In practice, this has been arbitrarily applied since it is not clear who is allowed to improve leased farms and who is not and why. In all the provinces, there were instances where beneficiaries had invested in farm improvements using their own resources. In such cases, there was no written consent from the DRDLR but some of the farmers had been given tacit approval on the basis that it shows a long-term commitment on the part of the beneficiaries.

5.9. Lease system and rental payments

Section 10 of the SLLDP specifies the rental determination in relation to agricultural leases. Initially, the Department had determined rental for agricultural leases at 6% of production value (DRDLR, 2013). However, the Department experienced challenges in finding competent professionals to help determine production values. As a result, in 2009, the Department attempted to introduce market-related rental in terms of the Lease Management Policy of March 2009. The Department soon realised that market-related rentals are unaffordable to land reform lessees since the majority of them are historically disadvantaged and lack capital resources. Accordingly, the Department devised a new approach to accommodate historically disadvantaged groups with limited capital resources. In terms of the SLLDP, all lessees were now required to “develop business plans which will then form the basis for determination of rental” (DRDLR, 2013). The Department now required land reform beneficiaries to pay 5% of projected annual net income instead of actual net income. In terms of this new requirement, the projected annual income is derived from the business or farm plans which are reviewed by the District Beneficiary Selection Committee (DBSC)

and the Provincial Technical Committee (PTC) and finally approved by the National Land Allocation and Recapitalisation Control Committee (NLARCC).

In relation to rental escalation, Section 10 of the SLLDP states that “there shall be no annual escalation of rental since the rental amount is not fixed but rather dependent on projected annual income, which may fluctuate from year to year” (DRDLR, 2013). In contrast, the leases for commercial developments (mining, tourism, small shopping centres big malls, township developments, etc.) in the former homelands have a rental escalation of 10% per annum, until reviewed by the Director-General (DRDLR, 2013:31).

Our research also confirms the challenges in relation to rental payments outlined in the 2013 SLLDP (DRDLR, 2013). State officials and DLRC members also confirmed that the DRDLR had placed a moratorium on rental payments.⁴⁹ This was done through a directive from the then Minister Gugile Nkwinti. The moratorium on rental payments became necessary when most of the beneficiaries could not afford to meet their rental obligations. It became imperative for the DRDLR to provide production support and only enforce rental payments when a farm had become viable. Following the directive, some farmers stopped paying rent pending the release of recapitalisation funds to resuscitate production. In the North West, farmers who had been recapitalised were also issued long-term leases and commenced paying rentals. However, the rental payments are exorbitant for most of these farmers. An SLLDP farmer, operating a livestock production enterprise and stepping up through recapitalisation argues that:

The 30-year lease is better but the lease payments are very high. I have to pay a lot of money... The lease is burdensome. Without other sources of income, I can only sell my cattle, sheep and goats to make my lease payments. If you are not working the only hope is selling livestock. We live in fear because we have no title deeds and don't own these farms. I worry because some people may

49. Interviews with key informants (DLRC members, land reform officials, and leaders of farmers' associations confirmed that a high-level meeting had been held in Pretoria to communicate these changes, especially the moratorium on rental payments pending recapitalisation. But some farmers seemed to lack sufficient information on these developments.

claim this land and say it is their ancestral land. The law permits that. But if you have a title deed at least you can say it is my land.⁵⁰

However, this reprieve did not assuage the pressure on the SLLDP farm beneficiaries—even those who received production support. Rental amounts are derived from commercial budget projections used for business plans. These projections are usually not reflective of fluctuations in levels of production.⁵¹



NORTH WEST PROVINCIAL SHARED SERVICE CENTRE: Private Bag X 74, MMABATHO, 2735; Cnr James Moroka & Sekame Road, Westgallery Megacity, MMABATHO, 2735; Tel: 018 388 7000

[Redacted]

APPROVAL OF A LONG TERM LEASE AGREEMENT OF LEASE UNIT 1 OF THE FARM WELLS N O. 304 IL AND PORTION 2 OF THE FARM RADNOR NO. 305 IL

The above mentioned matter bears reference.

The North West Province Shared Service Centre wishes to inform you that a long term lease agreement for a period of 30 years on Lease Unit 1 of the farm Wells No. 304 IL and Portion 2 of the farm Radnor No. 305 IL has been approved.

You are also informed that your rental will be payable from the 01st year of your contract and proof of that should be submitted to the CD: North West Shared Services Centre in Mahikeng:

Account Holder : Department of Rural Development and Land Reform
Account Number : 4074498283
Branch Code : 632005
Reference : NW 707729

Your lease rentals for the period of the five years will be dispersed as follows:

YEAR PROJECTION	PROJECTED ANNUAL NET INCOME	5% PROJECTED ANNUAL RENTAL AMOUNT
Year 1	R720 192.00	R36 009.60 23/05/2017
Year 2	R774 400.00	R38 720.00
Year 3	R 813 120.00	R40 656.00
Year 4	R853 776.00	R42 688.80
Year 5	R896 465.00	R44 823.25

Figure 2: Letter showing the escalation of rental payments

50. Mr Mandla Leballo, SLLDP farmer, North West, 10/10/2018.

51. The argument in the 2013 SLLDP policy is that the farmers the calculation of rentals based on projected income will act as an incentive for farmers to maximise productivity and profits. This is because any additional income that accrues above initial projections is not factored in the calculations for rental payments (DRDLR, 2013:19).

In times of drought or unanticipated decline in production, lessees have had to pay rent based on the overly optimistic budgetary estimates. While not all SLLDP farm beneficiaries pay rent, the affordability of the rental payments remains a key challenge faced by land reform beneficiaries in all the provinces. In all the provinces there is no common approach or understanding of provisions on key aspects of the lease. The main aspects of the lease system include calculation and payment of rent, exercising the option to purchase, permission to make farm improvements and the transition from caretakership to leasing the farm. The different understandings and interpretations of the lease were common across and within provinces. Initially, rental payments were set at 6% of the production value. This was subsequently changed to 5% of estimated net income per annum with no rental escalation for agricultural leases. However, there are instances where rental payments

have escalated by 10% per annum. This is contrary to the provisions of the SLLDP where the escalation of rent is not applicable to agricultural leases (DRDLR, 2013).

The moratorium on rental payments was not uniformly enforced. In some districts, some officials still compelled beneficiaries who had not received production support to make rental payments. Land reform beneficiaries without a clear understanding of these changes were often threatened with eviction or withdrawal of leases if they failed to pay rent. In some cases, officials required the payment of bribes and asked for favours from land reform beneficiaries. These practices are attributable to corruption by some opportunistic officials. The lack of proper communication on the rental payments especially the moratorium on rental payments for those farmers yet to access production support provided fertile ground for corruption.

Table 18: Rental payments by SLLDP farm beneficiary in different accumulation trajectories (n=62)

ACCUMULATION TRAJECTORY	SLLDP FARMERS PAYING RENT		SLLDP FARMERS NOT PAYING RENT		TOTAL	
	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	0	0	6	14	6	10
'HANGING-IN' AND NON-ACCUMULATION	1	5	9	21	10	16
'STEPPING UP' THROUGH REINVESTMENT	4	21	8	19	12	19
'STEPPING IN' AND 'STEPPING UP'	9	47	18	42	27	44
'STEPPING UP' THROUGH RECAPITALISATION	5	26	2	5	7	11
TOTAL	19	100	43	100	62	100
% OF TOTAL SAMPLE	31		69		100	

Evidence from this research reveals that poor individuals or groups with no significant economic and political power are often compelled to pay rent. In this study, 31% of the SLLDP farm beneficiaries made rental payments whilst 69% did not pay rent. Well-off business owners diversifying into agriculture ('stepping in' and 'stepping up') constitute 47% of beneficiaries not paying rent on state farms (see Table 18). The rental payments by some relatively poor

farm beneficiaries continued in spite of the moratorium on rental payments implemented by the DRDLR (DRDLR, 2013). In the Free State and KwaZulu-Natal, some farmers received letters of demand from lawyers for defaulting to pay rent. In the Free State a farm beneficiary in the 'hanging in' and non-accumulation trajectory detailed some of the problems with rental payments. According to Mr Thabo Shanu:

My five-year lease contract has expired and they said I will be getting a 30-year lease contract. I am currently paying for rent and I used to pay R11 000. I can show you my receipts. The land reform sent us to their attorneys and they used to call us to remind us to pay rent and if we don't then the attorneys charge us more money. We were never informed that the Department was going to work with attorneys and we should deposit rental payments into their account. There is no transparency. We were not informed we were just told. They just sent our names and details to them. They function just like private banks when they want money. We are afraid that if we do not pay then they will take the farm and give it to their friends. This is the reason why we feel

obliged to pay rent. I am sure that if I didn't pay I was going to be removed and their friend will replace me. There are such cases but I am afraid to talk because I am afraid of getting into trouble, this is a very difficult topic.⁵²

In contrast, the economically wealthy and politically connected individual farm beneficiaries questioned the fairness of the rental payments to the state. In some instances, they withheld their rental payments without ever receiving letters of demand or being threatened with eviction like their poor counterparts. However, some farmers with political clout and influence have refused to pay rent, with no consequences.

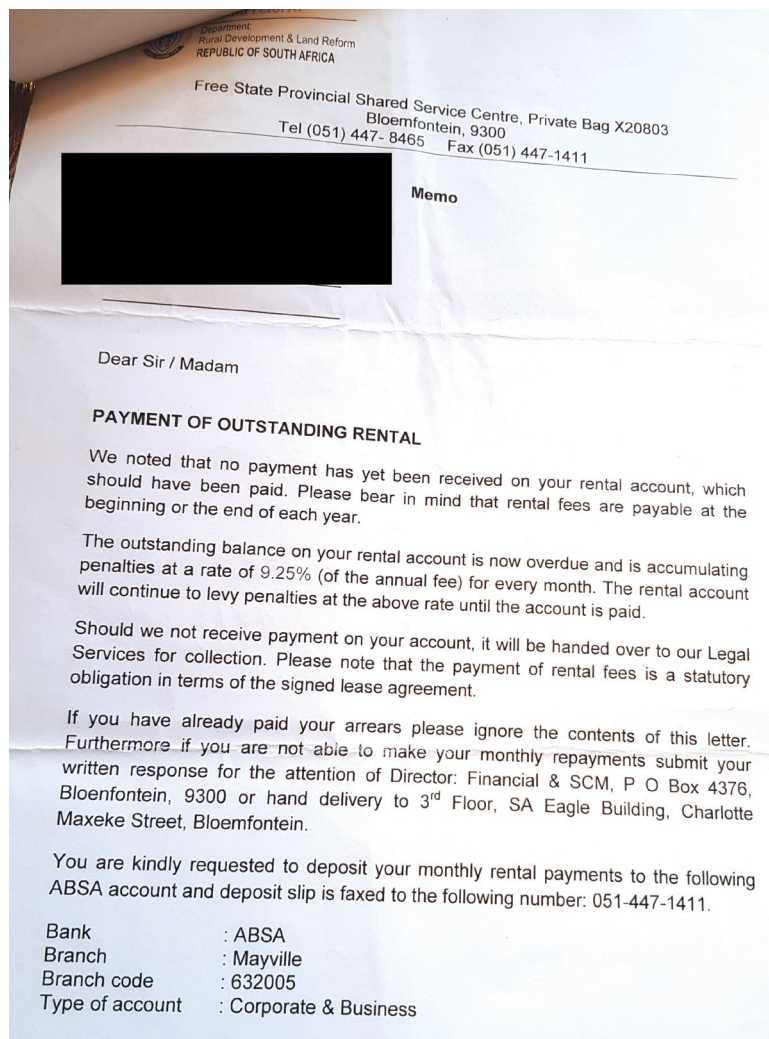


Figure 3: Letter of demand for outstanding rent

52. Mr Thabo Shanu, SLLDP farmer, Free State, 7/07/2018.

5.10. Lease system and pathways to full ownership

In all the provinces, there is a prosperous segment of farmers running productive farms and who have complied with all the requirements of lease within the SLLDP programme. However, there is no clarity from the state or the DRDLR as to how these farmers will be allowed to buy and own land. Among other things lessees need to successfully complete the probation period, demonstrate that production on the farm has been maintained or expanded, use recapitalisation effectively, and show independence especially the ability to manage finances and the marketing of farm produce and overall compliance with the terms of the lease agreement.

In terms of the set policy criteria, some farmers have adequately met the various indicators of what constitutes success within the SLLDP programme. However, there is a consensus amongst this segment of prosperous farmers that the stringent conditions of the SLLDP programme are very constraining. The lack of a clear pathway from the leasehold system to ownership of the farm or being allowed to exercise the option to purchase the farm is widely seen as a huge disincentive. The SLLDP seeks to, among other things, "create developmental pathways appropriate to different categories of farmers" (DRDLR 2013:13) yet there is no pathway to secure land rights or full

ownership of land even for the prosperous farmers who have met all the stringent requirements of the programme. The lease system has become synonymous with widespread tenure insecurity amongst land reform beneficiaries which is inimical to what a redistributive land reform programme is essentially about – changing land ownership patterns. Thus, there is a need to re-think the model.

5.11. Post-settlement support

Most of the new SLLDP farm beneficiaries accessed production support through the recapitalisation programme. However, farmers in the 'stepping in' and 'stepping up' (Hall et al., 2017; Scoones et al., 2010) category constitute the highest proportion of farm beneficiaries who received production support (see Table 19). A few of the farm beneficiaries 'dropping out' of production, those 'hanging in' and not accumulating, and those accumulating through reinvestment also received recapitalisation (see Scoones et al., 2010; 2012). In spite of being recapitalised, these farm beneficiaries had their allocated funds captured and siphoned by agribusiness partners and mentors. This is usually done in connivance with state officials. The institutional mechanisms for managing recapitalisation funds facilitate elite capture of public resources in land redistribution.

Table 19: Production support for SLLDP farmers in different accumulation trajectories (n=62)

ACCUMULATION TRAJECTORY	SLLDP FARMERS WHO ACCESSED PRODUCTION SUPPORT		SLLDP FARMERS WHO DID NOT ACCESS PRODUCTION SUPPORT		TOTAL	
	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	2	5	4	22	6	10
'HANGING-IN' AND NON-ACCUMULATION	7	16	3	17	10	16
'STEPPING UP' THROUGH REINVESTMENT	9	21	3	17	12	19
'STEPPING IN' AND 'STEPPING UP'	19	43	8	44	27	44
'STEPPING UP' THROUGH RECAPITALISATION	7	16	0	0	7	11
TOTAL	44	100	18	100	62	100
% OF TOTAL SAMPLE	71		29		100	

Recapitalisation is normally channelled through intermediaries in the form of agribusinesses and mentors. Agribusinesses and mentors play the role of experts who, among other things, ensure adherence to approved business plans. This allows these third parties a prominent role in approving budgets for inputs and implements and assisting with the marketing of produce. In the North West and Free State some agribusiness had a group of farmers under their tutelage. In these blanket arrangements, an agribusiness acts as a service provider disbursing funds to individual farm beneficiaries. Some of these service providers or mentors abused recapitalisation funds. Some SLLDP farm beneficiaries only received a small portion of the funds allocated to them in the approved budgets. The bulk of their funds were intercepted by corrupt agribusinesses and mentors. In such cases, the amounts allocated do not reflect the minuscule investments made through recapitalisation. As a result, some farms which received production support are 'hanging-in' and not accumulating while others are 'dropping out' of production (cf. Scoones et al., 2010; 2012). Some also abused recapitalisation funds and did not invest the resources into their farming enterprises. In such cases, failure to account for initial recapitalisation hinders further access to production support. As a result, some of the farms go into distress and end up 'dropping out' of production or merely 'hanging in' and not accumulating (cf. Scoones et al., 2010; 2012).

Proximity to the state by some politically influential and economically powerful individuals places them in favourable positions to access production support. Production support may come from various streams of government funding in addition to recapitalisation funds from the DRDLR. In short, post-settlement support is, in some cases, differentiated depending on the farmers' access to state bureaucrats and political officeholders. Mrs Thandi Mnyamana's farm in KwaZulu-Natal is 'hanging in' and not accumulating. This is a

result of diverting recapitalisation funds instead of investing them into the farm. In spite of the failure to accumulate, Mrs Thandi Mnyamana is one of the privileged local political leaders who has enjoyed sustained support from the state. She, however, did not invest her recapitalisation funds into farming and the farm has been unproductive since she started leasing it. In spite of diverting the initial recapitalisation funds (R2, 3 million), she was further recapitalised with cattle and farm implements.

Mrs Thandi Mnyamana is a women's league local branch treasurer of one of the biggest political parties in South Africa. She is also a national chairperson of an organisation lobbying for women's access to land in South Africa. Mrs Mnyamana is one of the politically influential people who have benefited more than once through the recapitalisation programme. The beneficiary was awarded a 330 hectare farm in 2015. Mrs Mnyamana received recapitalisation twice before most beneficiaries in her locality could access any production support. In 2016, she was recapped with R2,3 million, and in 2018, she accessed more recapitalisation in the form of cattle and farm implements.⁵³

The lack of adequate monitoring mechanisms to rationalise the use of resources within the recapitalisation and development programme has allowed elite capture to occur in the disbursement of post-settlement support. In the Free State, some few powerful business people and local politicians monopolised farm machinery and equipment meant to service a cohort of SLLDP farms in their local vicinity. Some individuals have capitalised on their political, kinship and business ties to benefit from post-settlement support more than twice while at the same time some less powerful farmers have been on the waiting list of recapitalisation for some time. In

53. Interview with Mrs Thandi Mnyamana, SLLDP farmer, Kwazulu-Natal, 25/5/2018.

spite of the emphasis on a set of key benchmarks that need to be met in order to qualify for post-settlement support, some farmers have been benefited from post-settlement support a couple of times although they have not utilised the funds properly. In such cases, favouritism, nepotism, corruption and rent-seeking practices are the main causes of the inconsistency in the disbursement of post-settlement support.

The powerful individuals in business, politics, farmers' associations, commodity associations, and agribusiness have been in a privileged position when it comes to accessing post-resettlement support from the state. Apart from the capture of post-settlement support, factors such as "limited staff capacity, weak staff management, and expanding mandates for which the DRDLR is not currently equipped, hamper the provision of settlement and production support to beneficiaries" (Kepe and Hall, 2016). All these issues need to be addressed to ensure effective post-settlement support in the land redistribution

programme.

5.12. Labour and employment on SLLDP farms

This research study addressed key questions regarding labour and employment patterns on the redistributed farms SLLDP farms. The National Development Plan (NDP) identifies employment generation through agriculture as a key area of public policy in South Africa. According to the NDP (2012:67), sustained growth in agriculture has the potential to generate an estimated 643 000 direct jobs and 326 000 indirect jobs in agro-processing and related sectors by the year 2030. In relation to land reform, the NDP projects that better use of redistributed land has the potential to create 70 000 direct jobs and 35 000 secondary jobs (NDP, 2012:220). Sustained investment on land reform farms may also generate direct jobs and other secondary jobs through multiplier effects in the value chains.

Table 20: Employment figures for farms in different accumulation trajectories (n=62)

ACCUMULATION TRAJECTORY	0		1-2		3-4		5-6		7+		TOTAL	
	n	%	n	%	n	%	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	6	75	0	0	0	0	0	0	0	0	6	10
'HANGING-IN' AND NON-ACCUMULATION	1	12,5	4	22	3	21	0	0	2	11	10	16
'STEPPING UP' THROUGH REINVESTMENT	1	12,5	6	33	1	7	0	0	4	22	12	19
'STEPPING IN' AND 'STEPPING UP'	0	0	7	39	8	57	4	100	8	44	27	44
'STEPPING UP' THROUGH RECAPITALISATION	0	0	1	6	2	14	0	0	4	22	7	11
TOTAL	8	100	18	100	14	100	4	100	18	100	62	100
% OF TOTAL SAMPLE	13		29		23		6		29		100	

However, significant obstacles within the land reform process adversely affect employment creation on land reform farms. Interviews with SLLDP farm beneficiaries and workers revealed a general decline in employment on land reform farms. Employment figures on the SLLDP farm beneficiary also show that these farms generally employ few people (see Table

20). Furthermore, bureaucratic delays often result in a protracted land acquisition process. The prolonged land acquisition processes have, in several cases, contributed to the collapse of production on land reform farms. Disruption of production during protracted land acquisition processes has often contributed to job losses.

Consequently, substantial resources are required before the newly acquired farms can become fully productive. Besides red tape, corruption by state officials has, in a few cases, stalled land reform delivery. Some corrupt land reform officials have in some cases delayed allocation of land, issuing of leases and releasing production support. In such cases, withholding resources and support is meant to frustrate selected beneficiaries who may not be preferred by the officials. In the process, production declines or completely collapses. This adversely affects existing farm workers and constrains the prospects for employment generation through land redistribution.

The SLLDP programme was designed to recruit an elite group of black commercial farmers and not much thinking went towards putting measures in place to protect job losses and the welfare of farm workers. Some of the labour-intensive farms in forestry and sugarcane sectors in KwaZulu-Natal, and grape production farms in the Western Cape had experienced a dramatic decline in employment. The decline in employment was a result of the disruption

of production during land acquisition.

A 1032 hectare farm in KwaZulu-Natal acquired for R28 million was highly productive and contributed significantly to local employment. Among other things, the withholding of a lease agreement, lack of production support, asset stripping by officials and itinerant strategic partners resulted in the collapse of production. The collapse of production resulted in the total loss of jobs. As one of the former farm workers noted, "...we are a group of 32 families. Before the farm was sold there were 109 permanent workers and more than 1800 seasonal workers. Nobody is employed on the farm anymore. In 2013, everyone was laid off, and we were paid our pensions".⁵⁴

The trend of job losses was an ongoing theme in most of the discussions across all the provinces. However, the scale of job losses tends to be more pronounced on labour-intensive farms in sectors like forestry in KwaZulu-Natal and grape production in the Western Cape which experienced production decline during land acquisition.

Table 21: Farm worker beneficiaries within SLLDP (n=62)

	NO. OF PROJECTS	
	n	%
FARM WORKERS AS BENEFICIARIES	11	18
INDIVIDUAL BENEFICIARIES AND OTHER GROUPS	51	82
TOTAL	62	100

Farm workers and labour tenants are amongst the historically disadvantaged groups designated as an important category of beneficiaries. Their inclusion in land reform is central to the realisation of equitable access to land. It is therefore important to investigate the extent to which farm workers or the rural poor have benefited from land redistribution. In this research, only 18% of the farms were allocated to farmworkers while 82% were allocated to other types of beneficiaries (see Table 21). Most of the

farm workers that we encountered during the course of this research had no knowledge of the process of obtaining land through SLLDP. In cases where the farm workers are part of the programme, it has been as a result of the former farm owners taking initiative to sell-off their land to the state and returning to their erstwhile farms as mentors or strategic partners. Overall, these arrangements have turned out to be exploitative with farmers benefiting disproportionately at the expense of their former workers. The earnings

of the farm workers have not improved, and dividends have not been declared.

Out of the 11 SLLDP projects with farm workers as beneficiaries, only two are 'stepping up' through recapitalisation (see Table 22). However, these projects have not declared dividends and the farm workers are not privy to the financial management aspects of the farms. The agribusiness involved has accessed production support and cheap land from the state including cheap labour from the farm workers. The farm workers who are 'stepping up' through reinvestment have, without state support, managed to independently raise modest amounts of capital after which proceeds from the sales of farm produce have been reinvested into the farming enterprises.

Table 22: Farm worker and other SLLDP projects in different accumulation trajectories (n=62)

TRAJECTORY	FARM WORKERS AS BENEFICIARIES		INDIVIDUAL BENEFICIARIES AND OTHER GROUPS		TOTAL	
	n	%	n	%	n	%
'DROPPING OUT' OF PRODUCTION	3	27	3	6	6	10
'HANGING-IN' AND NON-ACCUMULATION	4	36	6	12	10	16
'STEPPING UP' THROUGH REINVESTMENT	2	18	10	20	12	19
'STEPPING IN' AND 'STEPPING UP'	0	0	27	53	27	44
'STEPPING UP' THROUGH RECAPITALISATION	2	18	5	10	7	11
TOTAL	11	100	51	100	62	100
% OF TOTAL SAMPLE	18		82		100	

Overall, the policy biases of SLLDP which favour the large-scale commercial farming model and by implication beneficiaries with sufficient resources to sustain this type of farming, is inevitably exclusionary towards farmworkers. On the key question of who has been benefiting from South Africa's land redistribution, it is clear that farm workers are amongst the peripheralised social groups, alongside women and the youth.

6. Institutional arrangements and processes in redistributive land reform

It is important to understand how institutional arrangements influence policy processes and the overall effectiveness of programmes. Two key developments in relation to institutional arrangements at the national level have had a profound influence on the effectiveness of South African land reform programmes in general including the SLLDP. Firstly,

there is the longstanding dual division between DAFF and DRDLR. Secondly, the more recent inclusion of the rural development component in the DRDLR portfolio is also important in the way it has affected the efficacy of land reform programmes and its delivery. The rural development component merely added more responsibilities to a department that was already under-resourced. The division between land reform and agriculture has resulted in a lack of coherence and proper coordination in the practical implementation of land reform programmes. DAFF has the capacity and technical competency to carry out farm assessments and assess the overall viability and agricultural potential of farms made available for land redistribution.

It is also noteworthy that extension services which are a key part of post-settlement support are located within DAFF. However, it is DRDLR which plays the lead role in the land identification and acquisition process. The two departments are expected to work together

during the process of acquiring and allocating land to beneficiaries. However, in practice, they operate in silos with very little coordination. Thus:

The main purpose of the DRDLR is to acquire and redistribute land. Agriculture is an intervention department, which is meant to ensure that there are viability and sustainability on the land acquired. It means, we do not work hand in glove.⁵⁵

Evidence shows that DAFF often plays a peripheral and marginal role in conducting farm assessments in such a way that the agricultural potential of the acquired land is not properly ascertained. DLRC members interviewed also indicated that there is a persistent incoherence in the functioning of land reform and agriculture departments. This has adversely affected the efficiency of land reform programmes. Several state officials and DLRC members argued that the two departments either need to work in a coherent manner, or be combined into one department altogether. As one local leader in KwaZulu-Natal's Mooi River area noted:

The departments of Land Reform and Agriculture must be one, even in the provinces so that land redistribution and agriculture are manageable. There must be one Minister with one Director-General because at the moment each of these departments is doing its own thing. But if you look at who has the mandate for farming it is located in the Department of Agriculture but for Agriculture to execute their mandate they need to have land. The Minister of that newly created Ministry will acquire the land and ensure that there is enough agricultural support for the farmers.⁵⁶

Another key issue on the institutional relationship between agriculture and land reform is the failure to draw on the skills and expertise of the Department of Agriculture in land reform delivery. In the North West, some farmers and DLRC members indicated that

people with technical skills within the department of agriculture, for instance, extension officers, are not very active and influential in decision-making processes. While their roles are designated in the land reform processes, their involvement remains minimal. According to one DLRC member in the North West:

The Department of Agriculture is not taking part. The extension officers are not even in the structures to qualify people. The extension officers should be the ones who look at the little that applicants are doing and see if the farmer has potential. There is a section in the DRDLR where extension officers are not taking part. It is the way the government has tailor-made these departments to play separate roles... For me the most eloquent person is not the right person. My view is that an applicant must first come through the extension services and be declared fit to be a beneficiary. The extension officer must declare the applicant fit to be a beneficiary.⁵⁷

Equally important is the expansion of the then Land Affairs Department to include the rural development component which resulted in the current DRDLR. Rural development has, as a result, become an integral component of the land reform portfolio. However, some officials argued that the addition of the rural development component has simply spread thin the resources available for land reform. This also comes with more responsibilities for DRDLR officials as their work now includes broader rural development issues, in addition to the traditional function of land reform.

Evidence from this research shows that the numerous structures and processes established to facilitate land redistribution often result in highly bureaucratic and protracted procedures – from land identification to acquisition and allocation. At the district level, the DLRCs identify local land needs and select land reform beneficiaries through their selection sub-committee, the Beneficiary Selection

55. Mr BD, DRDLR Official Free State, 20/06/2018.

56. Mrs Angeline Dube, Former Mayor and SPLAG farmer, 1/11/2018.

57. Mr Mmusi Mokoena, DLRC member, North West, 1/10/2018.

Committees (BSCs). The BSCs, through the district's DRDLR make recommendations to the PTC which, in turn, make recommendations to the NLARCC.

In addition to this process, there are other equally important processes involving the Office of the Valuer-General (OVG) which evaluates the land and price being offered. DAFF also assists with farm assessments to determine the condition of the farm and its agricultural potential. In addition, DAFF also provides extension services and disburses post-settlement or production support to land reform beneficiaries. This has been mainly through the Comprehensive Agricultural Support Programme (CASP) although research shows in some provinces agriculture have also disbursed recapitalisation funds which are customarily managed by DRDLR. The research analysed and mapped out how these multiple structures function and how the processes unfold in practice.

7. Mechanisms of elite capture in redistributive land reform

This section discusses the phenomenon of elite capture in land by locating it within the political economy conceptual framework. The political economy framework foregrounds the unequal power relationships amongst different social groups within the land reform delivery process. Unequal power relationships mediate processes of accumulation and are key in explaining differentiated outcomes in land reform. The different forms of elite capture and the actors who are predominantly involved in those forms of corruption are also identified in this section. Some key illustrative cases on how elite capture happens in land reform, are also included.

7.1. What is elite capture?

Elite capture unfolds at various points within the land reform process and is attributable to a number of factors which include manipulative practices where different actors exploit policy ambiguities and institutional weaknesses and implicit and explicit forms of corruption, nepotism and rent-seeking practices. The phenomenon of elite capture occurs

when "resources transferred for the benefit of the masses are usurped by a few, usually politically connected and/or economically powerful groups, at the expense of the less economically and/or politically influential groups" (Dutta, 2000).

Elite capture is occasioned by the presence of unequal access to power based on various factors which may include economic wealth, gender, and political affiliation. Individuals and social groups with power often have a disproportionate influence on the allocation of funds or resources in favour of their own interest group at the expense of those who do not comprise the elite (Dutta, 2000). According to Platteau (in Chinsinga, 2016) "elite capture is a function of four factors namely, disparate access to economic resources, asymmetrical social positions, varying levels of knowledge of political protocols, different education attainment and employment status".

7.2. Who are the elites?

A key question in studying the phenomenon of elite capture is: who are the elites? Amongst the various actors involved in the land reform delivery process are various powerful groups and interests. These include state bureaucrats, politicians, private sector and agribusiness interests, landowners, estate agents, and agricultural experts and consultants. These different actors are involved in the land reform delivery process and influence the distribution of resources within land reform.

The SLLDP (2013) policy broadly identifies "those who are racially classified as African, Coloured and Indian" as the "historically disadvantaged persons" to be prioritised as beneficiaries. However, significant social inequalities feature amongst the historically disadvantaged people. The category historically disadvantaged includes well-off beneficiaries with privileged access to material resources, knowledge and information relative to the poor. Amongst these well-off beneficiaries are the economically powerful individuals (urban-based business professionals, rural traders, and taxi or transport operators) and the politically connected individuals (former senior state bureaucrats, local politicians, and community

leaders). These well-off individuals hold more economic and political power relative to poor individuals and groups. Within land reform, farm workers, labour tenants, the landless, marginalised women and youth, and smallholders form part of the poor target beneficiaries.

In terms of beneficiary groups identified in the SLLDP (2013:13) policy, poor beneficiaries broadly fall under the categories of landless and land poor households engaged in subsistence farming. In cases where there is surplus produced they form part of the market-orientated smallholder farmers. In contrast, well-off groups broadly fall under two categories: medium-scale and well-established, large-scale commercial farmers.

Within SLLDP (2013), equitable access to land through a pro-poor land reform programme as required by section 25 (5) of the Constitution has been elusive. Various scholars have argued for a pro-poor land reform which caters for the diverse social groups and scales of farming (Aliber and Hall, 2012; Cousins, 2013). A major shortcoming of the land reform programme is that well-resourced individuals have tended to predominate as beneficiaries (Aliber and Hall, 2012). In terms of policy implementation, the well-off beneficiaries legitimately qualify to access land and production support since they are also part of historically disadvantaged groups. It is imperative to ensure that land reform does not exclusively focus on well-off beneficiaries. Land reform should aim to address poverty and creating livelihood opportunities for those at the lower end amongst the historically disadvantaged.

8. Political economy analysis of elite capture

This study uses the political economy approach and foregrounds class, power and politics as central analytical categories in examining processes of social transformation. In political economy analysis, it is important to have a cohesive understanding of the multiple ways in which capitalist accumulation is mediated by politics, class and power (da Costa, 2008). Processes of change are characterised by differentiated outcomes for different social groups

or classes. Bernstein's (2010) set of questions further developed by Scoones (2015) provide important conceptual lenses for analysing the phenomenon of elite capture or to determine who has been benefiting from South Africa's land reform. The key set of analytical questions in agrarian political economy are as follows:

- Who owns what (or has access to what)?
- Who does what?
- Who gets what?
- What do they do with it?
- How do social classes and groups in society and within the state interact with each other?
- How do changes in politics get shaped by dynamic ecologies and vice versa?

These questions effectively analyse the relationships and contestations between various social classes involved in the land reform process (Bernstein, 2010; Scoones, 2015). It is important to gain an in-depth understanding of the multiple and overlapping relationships amongst the wide range of actors within the land reform delivery process in South Africa. These questions are an important point of departure in investigating the underlying causes and drivers of elite capture within redistributive land reform in South Africa.

8.1. Who owns what (or has access to what)?

Within the SLLDP (2019) programme, the state retains ownership of land, a key factor of production, and land reform beneficiaries utilise the land through lease arrangements. Agribusinesses, strategic partners and mentors (mostly former commercial farmers) often own capital resources, farm machinery and implements. They usually enter into strategic partnerships and mentorship arrangements with land reform beneficiaries. The idea is to provide training, skills and mentorship in running large-scale commercial farming enterprises. However, in the process, strategic partners also gain access to cheap state land, subsidies and post-settlement support funds and resources.

8.2. Who does what?

The land reform beneficiaries, who may include former farm workers, produce on state-owned land, provide labour, and make rental payments to the state for occupying and utilising the land. Agribusinesses and mentors provide the technical expertise and perform managerial work of running the farming enterprises. Some partnerships have morphed into employer-employee relationships as a result of the unequal relationships between the strategic partners on the one hand and farm workers and/or land reform beneficiaries on the other hand.

8.3. Who gets what?

The state remains the owner of land within the SLLDP (2019) programme and land reform beneficiaries are merely tenants occupying state land. Consequently, SLLDP farm beneficiaries pay rentals to the state for occupying and utilising the land. In some instances, state officials exploit policy ambiguities on rental payments, lease renewal, and provision of post-settlement support to extract rent from land reform beneficiaries. Agribusiness and business professionals in strategic partnerships develop business plans for SLLDP farms, at times jointly with beneficiaries and expect a return on investment on their capital resources. Profitability of the farming enterprises on the basis of the business plans and projections on the business plans is a key priority. Land reform beneficiaries expect dividends from the strategic partnerships. In some instances, their strategic partners do not declare dividends, but rather opt to reinvest in the farming enterprise. There are also cases of transfer pricing whereby, transfer pricing whereby agribusinesses in strategic partnerships sell the produce at extremely low prices to their sister companies is common. In such cases, strategic partnerships merely become a business strategy to access cheap land, state support and subsidies on the part of the agribusiness and is a form of elite capture of land reform. Mentors are paid a mentorship fee and influence the expenditure of the recapitalisation funds and hiring of service providers and contractors

for the farm.

8.4. What do they do with it?

Part of the proceeds from agricultural production are directed towards rental repayments and servicing the lease. Where profit is made, it is either reinvested into the farming enterprise or used for the social reproduction of the beneficiary households. Some politically connected and powerful beneficiaries monopolise post-settlement support and divert some of the resources for private accumulation and to fund their personal consumption. Agribusiness in various commodity sectors and other private companies, for instance, contractors and service providers are driven by the imperatives of profit and accumulation of capital. Where rental repayments have been made, it is not clear how the proceeds are utilised. There is no policy in place on how the funds accumulated from rental payments by SLLDP farm beneficiaries may be used either to fund more land acquisitions or support new land reform beneficiaries.

8.5. How do social classes and groups in society and within the state interact with each other?

The state is an important site of contestation and is key in distributing resources. State intervention may prop up certain social groups and help them consolidate their class position. Accordingly, the state plays a critical role in the way it influences class formation in redistributive land reform. Powerful agribusiness interests, commercial farmers, and agricultural experts have profound influence on the policies and programmes formulated in the land reform sector as well as the distribution of resources.

Within land reform, there are policy biases in favour of the large-scale commercial farming model. Indicators of success are framed around commercial 'viability' and profitability (Cousins and Scoones, 2010). Little room is given to alternative land use practices and multiple livelihood activities often synonymous with smallholder producers or communal area farmers (Cousins and Scoones, 2010). The commitment of large amounts of resources to the creation of a class

of large-scale commercial farmers has often resulted in the 'accumulation of the few' (Aliber and Hall, 2012) while the agrarian structure is not substantially transformed. The selection of beneficiaries who become part of the select few groups of farmers in the drive to deracialise the commercial farming sector is also influenced to benefit some politically-connected, economically powerful individuals whilst communal area farmers and other prospective beneficiaries are sidelined.

8.6. How do changes in politics get shaped by dynamic ecologies and vice versa?

Farming is profoundly shaped by the prevailing agro-ecological conditions. Different agro-ecological conditions have an influence on the type of agricultural activities practised and the agricultural commodities produced in the different parts of the provinces. This also comes with a different constellation of institutions, agribusinesses and value chain interests. These realities, in turn, profoundly influence the process of land reform delivery and its outcomes. As an illustration, there are agro-ecological zones with high-value agricultural land that are associated with capital-intensive forms of agriculture and mostly produce commodities for export markets. In such cases, agribusinesses and value chain interests are deeply entrenched.

In this study, farms in the Western Cape's Cape Winelands and West Coast districts are dominated by high-value, export-oriented agriculture. Land reform in the Western Cape has had to contend with these realities, and strategic partnerships are often being used to integrate land reform beneficiaries into these wider value chains. Elite capture is often driven by agribusiness entities experiencing pressure to achieve profitability in highly competitive agro-value chains. The majority of farms in this research are engaged in extensive livestock farming. Extensive livestock production has lower entry barriers and this represents an attractive avenue of accumulation for different well-off individuals, especially those 'stepping in' (Hall et al., 2017) and diversifying into farming. Our data reveals that 60% of the SLLDP farms

are engaged in livestock production and 57% of those engaged in cattle production are well-off business professionals diversifying into farming from other sectors (see Table 16). Informal livestock markets remain a comparably viable option for farmers who cannot penetrate the markets and value chains in the beef sector.

9. Key actors in the land reform delivery process

This section briefly discusses the analytical lenses informing this research. A firm grasp of the complex process of land redistribution and the multitude of actors involved is important in mapping out elite capture in redistributive land reform. In the context of land reform, there are multiple social actors involved in the various stages within the land reform delivery processes. Some of the main aspects of the land reform delivery process include land identification, land acquisition, beneficiary selection, land allocation, and provision of post-settlement or production support. Also important, are various strategic partnerships forged between agribusinesses, mentors and other key players in the private sector.

(See Table 23 on the next page.)

Table 23: Different actors involved in the land reform delivery process

SOME KEY QUESTIONS ON ELITE CAPTURE IN LAND REDISTRIBUTION	STRATEGIC PARTNERS	MENTORS	WHITE COMMERCIAL FARMERS	COMMODITY ASSOCIATIONS	GOVERNMENT OFFICIALS	DISTRICT LAND REFORM COMMITTEES (DLRCS)	ESTATE AGENTS	CONTRACTORS AND SERVICE PROVIDERS
HOW DOES ELITE CAPTURE OCCUR?	<p>Farm flipping, imposition of agribusiness as strategic partners.</p> <p>Failure to declare dividends in strategic partnerships. Beneficiaries merely become fronts for agribusinesses making profits.</p> <p>Capture of value upstream (inputs) and downstream (marketing and processing)</p>	<p>Mentors usually influence the purchase of implements, agro-inputs and control the recapitalisation budget.</p> <p>Some corrupt mentors capture value upstream of farming by buying poor quality implements for high prices. They also connive with suppliers upstream of farming.</p>	<p>Some farmers sell-off land to the state and then lease it back through partnerships with beneficiaries. White farmers also act as mentors, and often sell produce to their marketing companies promoting transfer pricing.</p>	<p>Commodity association often assist SLLDP beneficiaries with access to agro-inputs and markets. In some instances, they have managed production support resources leaving SLLDP farmers with little room to manage recapitalisation funds.</p>	<p>Imposition of politically connected beneficiaries, exerting pressure on lower-level officials to flout departmental procedures, soliciting bribes, imposition of strategic partners, withholding leases and recapitalisation, fronting</p>	<p>Imposition of politically connected beneficiaries, soliciting bribes, imposition of strategic partners, withholding leases and production support, fronting.</p>	<p>Overpricing land, collusion with state officials in farm assessments.</p>	<p>Service providers often work with mentors and the DRLR to provide infrastructure, farm implements and machinery and agro-inputs, capture of value upstream of farming through over-pricing, capture of recapitalisation funds, misallocation of funds.</p>
WHAT ARE THE KEY DRIVERS AND CAUSES OF ELITE CAPTURE?	<p>An avenue for agribusiness to access cheap land, government subsidies, enhance profits and accumulate funds.</p>	<p>Corruption, nepotism, policy design.</p>	<p>Policy design of SLLDP allows commercial farmers to indirectly access state land and benefit from production support and subsidies.</p>	<p>Policy encourages partnerships with agribusinesses.</p>	<p>Rent-seeking, corruption and nepotism amplified by policy weaknesses.</p>	<p>Rent-seeking, corruption, nepotism also permeates some DRLCs.</p>	<p>In some cases, land prices are inflated and poor land is brought onto the market for purchase by the state.</p>	<p>Some beneficiaries have no say in developing budgets and purchasing farm machinery. Some of the contractors and service providers have provided poor quality services and infrastructure to maximise their profits at the expense beneficiaries.</p>

10. Strategies of elite capture of resources in redistributive land reform

This section provides an in-depth understanding of the phenomenon of elite capture, specifically how it unfolds in specific contexts within land redistribution (see Table 23). The section also focuses on key illustrative empirical cases from the field research which are archetypical of the various practices that enable different actors in the land reform delivery process to capture resources. It is fundamental to distinguish between policy biases which favour well-off beneficiaries and corruption whereby certain people divert public resources and benefit disproportionately at the expense of the poor.

Policy biases are embedded in specific notions of viability or what constitutes success or failure in land reform (Cousins and Scoones, 2010). Land reform policies in favour of the large farm path aim to deracialise the commercial farming sector without restructuring the agricultural sector to make it inclusive and pro-poor (Hall, 2004). Deracialisation without structural transformation in agriculture is in tandem with BEE approaches to transformation in the wider economy. These BEE approaches have been widely criticised for concentrating resources in the hands of the few amongst the historically disadvantaged. In agriculture, this narrow policy vision has prioritised the creation of a small segment of prosperous, black commercial farmers (Hall, 2004; Aliber and Hall, 2012). Instead of reconfiguring the agrarian structure to make it more inclusive, deracialisation of the large-scale commercial farming sector merely facilitates accumulation of the few (Aliber and Hall, 2012).

In contrast, elite capture is also attributable to corrupt practices by state officials, economically and politically powerful people and established agribusinesses (Lebert and Rohde, 2007; Cousins, 2013; Kepe and Hall, 2017). A number of corrupt practices facilitate elite capture of public resources in land reform (Lebert and Rodhe, 2007). In the context of this study, economically powerful and politically connected individuals engage in various forms of corruption. These include payment of bribes, the imposition of politically connected beneficiaries,

and political pressure on lower-level officials to flout departmental processes. Instances of 'double-dipping' (Hall, 2019 pers. comm.) and fronting also enable capture of public resources by economically and politically powerful individuals.

Established agribusinesses deeply embedded in agro-value chains also capture public resources in land reform (Fraser, 2007; Hall and Kepe, 2017). The Recapitalisation and Development (RECAP) programme prioritises win-win strategic partnerships with agribusiness as an ideal model for providing production support in land reform (DRDLR, 2013). These partnerships may be realised through mentorship arrangements and strategic partnerships with agribusiness including co-management, shared-equity arrangements, contract farming and concessions (DRDLR, 2013:12-14). The DRDLR (2013) argues that partnerships with the private sector will give land reform beneficiaries access to markets, both upstream and downstream of farming. However, strategic partnerships with land reform beneficiaries are not the exclusive preserve of big agribusiness. In this research, individual business people, local entrepreneurs, and former landowners have gained significant influence within the SLLDP programme. These individuals also provide business partnerships, mentorship and training to land reform beneficiaries.

However, these partnerships are implicated in unequal and exploitative power relations. The role of agribusiness partners and mentors in the development of business plans and farm budgets give them control over the management of recapitalisation resources. Agribusiness partners and mentors often exercise control in the procurement of inputs (upstream of farming) and the marketing of farm produce (downstream of farming). In this research, we identify different forms of corruption through which agribusinesses (including contractors and service providers) and mentors capture public resources in land redistribution. These different forms of corruption involve 'farm flipping', the imposition of strategic partners on SLLDP projects, capturing of value upstream and downstream of farming, failure to declare dividends, and asset stripping.

The different strategies used by agribusiness and

various powerful individuals to capture resources in land reform are not discrete and separate. In practice, these strategies are mutually embedded and combine in complex ways. The key social actors involved in the land reform delivery process straddle have networks within the state, in agribusiness and alliances in the political sphere. As a result, in one land reform project, the capture of public resources may reflect the involvement of different actors from different spheres of activity. While one form of corruption may be predominant, it usually co-exists with other forms of corruption.

10.1 Politically and economically powerful individuals and capture of public resources in land reform

The capture of resources in land reform may be driven by overtly corrupt, rent-seeking practices by state bureaucrats and local politicians. This may involve the imposition of people related to officials on land reform projects and intercepting public resources disbursed for the benefit of land reform beneficiaries. The assessment of the performance of leases on SLLDP farm beneficiaries and their renewal, and the assessment of business plans – all these aspects of SLLDP may be used as instruments by bureaucrats and powerful political players to extract rent from land reform beneficiaries. One land reform official noted that client-patron relationships and rent-seeking practices were common especially within the SLLDP land reform programme. This official noted that the SLLDP was introduced because previously, some LRAD beneficiaries were selling land, since they had ownership rights to that land. However, rent-seeking practices and corruption are also prevalent within the SLLDP programme. According to a DRDLR official in Free State:

SLLDP is actually about patronage at official and political levels. Those farmers who had accessed

SLLDP farm beneficiary are paying officials monthly incomes. It's rampant.⁵⁸

Such networks of informal relationships exist in the shadows of land reform policy and often shape land reform outcomes in profound ways (Hebinck and Cousins, 2013). Within land reform, corruption and rent-seeking practices occur through such strategies as soliciting bribes, fronting and reverse rental, bailing out politically-connected people, the imposition of politically-connected beneficiaries, withholding leases, and investment in non-reform projects.

10.1.1. Soliciting bribes

Within the SLLDP programme, bribery is used by some beneficiaries to influence decisions by officials in relation to farm allocation, access to state support or recapitalisation funds, and issuance of leases. One project officer noted that it was common for applicants and estate agents to influence processes through bribes. According to the project officer:

We are sometimes bribed to speed up the process by applicants. But we can't do anything about it and I tell them that the process is with the farmer and the National Office. Some estate agents also bribe us to speed up the process.⁵⁹

Officials also actively solicit bribes from potential beneficiaries in order to facilitate access to public resources in land reform. Cases of bribery often involve well-off beneficiaries with access to material resources. The well-off farmers include people diversifying into farming ('stepping in') and those who, through their social and political networks, access production support multiple times ('stepping up' through massive state support). A prominent DLRC member and land reform beneficiary ('stepping in') also noted that bribes were being paid by farmers in

58. Mr CC, DRDLR Official, Free State, 20/6/18

59. Interview with DRDLR Official, Eastern Cape, 20/6/2018.

order to obtain lease contracts.

Bribery alongside the imposition of elite beneficiaries was evident at Crestview farm. Mr Dlomo a former businessman and full-time crop farmer from Winburg, identified and applied for a SLLDP farm several times without any success. In 2017, Mr Dlomo was eventually allocated Crestview farm. However, Mr Dlomo has, to date, not been able to operate the farm. He alleges that the farm is under the occupation of a non-South African, Mr Reddy. The current occupant of Crestview farm is a businessman who hails from India. The prominent businessman continues to operate the farm in spite of contestations around who the rightful lessee is. He has also defied an eviction order previously issued against him. Mr Reddy has benefitted immensely from occupying Crestview farm. Crestview farm has been identified as one of the successful land reform projects in the Free State province. Initially, Mr Reddy, had a few cattle but now has 60 superior quality Bonsmara cattle. The DRDLR injected R2 858 288 through the recapitalisation programme. Recapitalisation contributed to the creation of 10 jobs. However, Mr Dlomo argues that Mr Reddy did not qualify to lease Crestview farm. Mr Reddy only had three cattle when he was allocated the farm. No answers are forthcoming from the DRDLR in relation to Mr Dlomo's status as a beneficiary.⁶⁰

Interviews with the local DLRC members indicate that Mr Dlomo was recommended as the beneficiary. However, state officials at the top blocked him from occupying the farm. According to the DLRC member, there are other cases where some DRDLR officials have flouted procedures in relation to land allocation. In the case of Crestview farm, a case of bribery seems to be the problem.

We did allocate Mr Dlomo the farm. We recommended him as the successful applicant. He was supposed to occupy the farm. But some of the officials at the top are against him. They wanted their own candidates who have bribed them to occupy the farm. We allocated him Crestview farm and the farm is still there. DRDLR officials have simply not signed the papers. There are farm workers on that farm. But we had said Mr Dlomo will occupy the biggest portion of the farm. That portion is about 684 hectares.⁶¹

The relatively poor are also, in some few instances, forced to pay bribes due to threats of eviction and withholding of leases by corrupt state officials. Some DRDLR officials acknowledged receiving bribes in order to speed up land reform delivery processes.

10.1.2. Double-dipping

'Double-dipping' (Hall, 2018, pers. comm.) is the allocation of farmland more than once to farm beneficiaries under a land reform programme. Influential beneficiaries often make use of their social networks and connections to access land and production support at the expense of ordinary beneficiaries. The following case of an SLLDP beneficiary 'stepping up' through massive state support, also demonstrates how 'double-dipping' (Hall, 2019 pers. comm.) occurs within the current programme and more broadly within land reform.

Mr Msimang is a prominent member of the community with work experience in the private security sector. Currently, he leads the local community policing forum. He obtained land through LRAD

60. Interview with Mr Lumkile Dlomo, SLLDP Beneficiary, Free State, 4/7/2018.

61. Mr Musa Sechaba, DLRC member, Free State, 4/7/2018.

as a part of a cooperative. The LRAD farm, which is 688 hectares in size was owned and operated by 25 members and is adjacent to Mr Msimang's communal area. In 2008, Mr Msimang successfully applied to lease 518 hectares of land from the DRDLR through the SLLDP programme. When he applied for recapitalisation in 2011, the DRDLR agreed to allocate Mr Msimang more land instead of recapitalisation funds. As a result, he was allocated an additional portion of land which is 715 hectares in size. Besides the LRAD farm on which he was a member of the cooperative, Mr Msimang was allocated two portions of land through the SLLDP programme. The total size of the two portions allocated to Mr Msimang through SLLDP is 1233 hectares. When initial recapitalisation was released, the farm had been allocated R3 million. However, only a portion of these funds was used to construct the farmhouse and workers' accommodation and also to replace the perimeter fence. In 2013, more recapitalisation funds amounting to R1 800 000 million was allocated to Mr Msimang. He used the funds to purchase 40 breeding cattle, 12 heifers, and 3 bulls. Mr Msimang also built farm structures and purchased a tractor, an open truck, and a cattle trailer. Currently, there are 153 beef cattle on the farm, 83 sheep and 29 goats. Mr Msimang employs two permanent workers.⁶²

The policy identifies four different categories of farmers that may lease land from the state. At the lower end (category 1) are the poor households with limited access to land while at the higher end are large-scale commercial farmers (category 4). Farmers are expected to transition from the lower end through categories 2 (smallholder producers) and 3 (medium-scale farmers) until they can become large-scale commercial farmers. Well-off farmers have often requested more land and support on the basis that

they need to graduate into large-scale commercial farming. Thus, in some cases obtaining a second farm has been classified as a form of recapitalisation. However, this practice facilitates 'double-dipping' (Hall, 2019 pers. comm.) whereby beneficiaries are allocated land more than once.

10.1.3. Fronting

Fronting is common. Placeholder beneficiaries occupy the farm on behalf of state officials—a strategy by the officials to secure their retirement. Section 6.4 of the State Land Lease and Disposal Policy for the SLLDP programme restricts civil servants from benefiting from the programme (DRDLR, 2013). However, the capture of public resources in land redistribution is also achieved by some local politicians and state bureaucrats through fronting.

Mr Bheki Dabula is an elderly man with a mental disability. In 2014, he was allocated Nelman farm through SLLDP. Nelman farm is 397 hectares in size. Mr Dabula lives with his niece, Hleziphi Dabula who manages the farm. However, Hleziphi, the manager, acts as a proxy for her cousin. Hleziphi's cousin is the husband of a former member of executive council (MEC) in the Free State province. The farm is well-equipped with various implements and machinery. A substantial amount of money (R9 million) was allocated for recapitalisation. The former MEC and her husband are, in reality, the people behind this farming operation. Mr Bheki Dabula is merely a front while Hleziphi is a proxy managing the farming enterprise on behalf of the MEC and her husband. However, conflicts and contestations have arisen from this complex arrangement. The former MEC and her husband had made efforts to reclaim the farm. Hleziphi,

62. Interview with Mr Msimang, SLLDP farmer, North West, 1/10/2018.

*their proxy, has resisted these efforts arguing that her mentally disabled uncle is the rightful beneficiary. However, the MEC and her husband have opened a criminal case against Hleziphi for abusing her mentally disabled uncle and for cattle theft.*⁶³

Aliber et al. (2013) notes that, instances of wealthy people using family networks to enhance accumulation prospects through land reform are common. In such cases, the impetus for land redistribution comes from wealthy individuals or family, who in turn appoint a relative to look after the land reform project (Aliber et al., 2013). Essentially wealthy individuals use their family networks to advance their strategies of enterprise diversification and wealth accumulation through land reform. Accordingly, it is important to identify who the actual driver of a land reform project is; the actual driver may or may not be the person identified in the official records, and may or may not be the person whom one meets when assessing the project (Aliber et al., 2013:143).

10.1.4. Imposition of politically connected beneficiaries

The exclusion of bona fide beneficiaries alongside the imposition of politically connected beneficiaries (for instance military veterans) including the imposition of politically connected strategic partners. One specific case epitomises the nature of elite capture through overtly corrupt practises amongst state actors. A member of the DLRC in the Eastern Cape confirmed that they have been pressured by high-level state officials to allocate land to their associates. In the Eastern Cape, the imposition of people on SLLDP projects by powerful state bureaucrats and politicians was characterised as ‘parachuting’.

*Parachuting happens when someone from above tells us who we should give the farm to. A senior state official in the DRDLR also did the same thing. The state official instructed a female beneficiary to be removed from the farm this previous week. This comes at a time when the Minister of the DRDLR has emphasised that government officials and other stakeholders cannot benefit from the SLLDP programme. But later they were told to allocate a farm to a CEO of a parastatal in our district. We tried to make recommendations that this is why this is procedural. But we relented because this involved very powerful people. There are similar cases happening where ordinary people were removed from SLLDP farm beneficiaries.*⁶⁴

Lower-level officials, for instance, project officers, are pressured to flout departmental processes by their superiors. This is often meant to benefit officials in the upper echelons and their political connections. This may relate to the allocation of farms, preferential access to post-settlement support, and other forms of production support, for instance, recapitalisation funds. The victimisation of non-compliant officials is common, which often involves arbitrary transfers, re-deployments, and their replacement with compliant officials willing to flout departmental processes in pursuit of narrow interests.

10.1.5. Bailing out politically connected individuals

Bailing out politically connected people who have accumulated debt in their farming enterprises involves acquiring a financially struggling or bankrupt farm belonging to a politically-connected individual using land reform funds. The same farm is then allocated to its previous owner.

63. Interview with Hleziphi, Farm Manager, Free State, 20/6/2018.

64. Interview with Mr Daluxolo Mthobeli, DLRC member, Eastern Cape, 23/08/2018.

Mr Mofokeng is trained as an economist and has previously worked as a senior bureaucrat in the upper echelons of the provincial government for 10 years, from 1997 to 2007. Besides working as a senior government bureaucrat, he also worked for a development finance bank between 2008 and 2012. Mr Mofokeng already owned a 60 hectare farm before accessing land through SLLDP. In 2002, during the time of his employment in government, he managed to secure a loan from a commercial bank under the auspices of a contract farming arrangement with a sugar agribusiness. He managed to be part of an empowerment programme targeting previously disadvantaged blacks to promote their participation in commercial farming. This opportunity allowed him to acquire a 311 hectare farm for R7 million with the requirement to supply sugar agribusiness with cane for 25 years. However, when his farm was destroyed by fire in 2015 he still managed to mobilise material support from the DRDLR. The department agreed to purchase his farm to offset the debt and leased it back to him under the SLLDP programme. In 2017, Mr Mofokeng also managed to secure about R5.4 million for recapitalisation from the DRDLR which he used to acquire farm machinery. In the interview with Mr Mofokeng he intones that, "the department likes people with farming experience and who know how to develop business plans".⁶⁵

Social class and political power are important in the way they shape land reform outcomes. Mr Mofokeng, a former bureaucratic elite, depended on his social networks within the local bureaucratic, political, and economic spheres to access resources and revive his declined fortunes in farming. It is not uncommon for rich farmers to influence or dominate local state institutions responsible for the disbursement of

scarce agricultural resources. In its extreme form, the capture of agricultural resources by powerful groups involved the relative ability of dominant groups to enter and maintain social networks and colonise state institutions (Jeffrey and Lerche, 2000:858).

10.1.6. Withholding of leases and threats of eviction

Sitiro is an 800 ha farm which is occupied by Kamoso Centre, a non-profit organisation, which looks after the elderly. Failure to obtain a valid lease and production support from the state has forced the cooperative to rely on social grant earnings of the elderly and infirm. Small-scale mixed farming is key to the survival of this farming operation. A small livestock production operation which includes sheep, goats, and poultry has been key to the survival of the farm. Small livestock production is also supplemented by small-scale vegetable production. However, an informal settlement has mushroomed in the vicinity of the farm. Buildings are constantly vandalised, and the recent thefts of small livestock and vegetables threaten the viability of the farm.

The farm was purchased in 2010 for about R2.5 million, if I am not mistaken. We were only issued one caretakership in 2016 which has since expired. I once met the Provincial Director of the DRDLR who assured me that he will address the issue. I was directed to one of the DRDLR officer in Vryburg. But he told me that his hands were tied and that the Director should have told me what is actually happening with the farm. We once had a meeting involving different senior people at the DRDLR. I was told to leave during the meeting. Afterwards they were not willing to give me any tangible feedback. I was surprised when you called me and told me that you found my number

65. Interview with Mr Mofokeng, SLLDP farmer, KwaZulu-Natal, 20/5/2018.

*on the database. The caretakership expired. I also get invited to other events as a woman in farming but I am not a beneficiary. I was once invited to an event which was called by the Minister in Rustenburg. What I know is that officials can use people's names for fronting.*⁶⁶

Sitiro farm is 'hanging in' and not accumulating. However, the lack of production support and withholding of the lease threatens its viability. The leader of the Sitiro farm has constantly engaged the DRDLR provincial officers. However, these engagements have not yielded any positive outcome. The farm remains with an expired caretakership and the beneficiaries suspect that they are being used as a front for the farm.

10.1.7. Asset stripping on SLLDP farms

The state of infrastructure on SLLDP farms, specifically the farm structures, farm equipment, access to water and electricity and roads, is generally poor. In all the provinces, research indicates that farm assessments to ascertain the condition of the farm and to document all the machinery and equipment on the farms are not properly done. The evaluation of farms is important during the transfer period when government is in the process of finalising the acquisition of the farm. In most cases, former landowners have remained on the farm during this period. Interviews with some beneficiaries reveal that former farmers use the transition period to strip assets off the farm.

The previous owner was taking things and I went to the DRDLR to say the previous owner is removing equipment from the farm but he has already sold the farm. The DRDLR officials did not worry about it. They did not even know how to approach the problem. When I told the former land-

*owner that I was going to report a case of theft with the police he relented. But actually, legally I could not do anything because the farm is not mine. The former owner offered to compensate me because he had already sold the equipment. When I refused compensation he returned the farm equipment within 24 hours.*⁶⁷

Once an agreement has been reached with the government to purchase land, farmers also cease to maintain the farm structures. As a result of the protracted process of land acquisition, land reform beneficiaries end up occupying farms with very poor infrastructure. This was a common trend across the five provinces.

*The owner has been paid his money. I notified the officials that this person is busy stripping the farmhouse. What are you going to do about it? They said these things were not part of the deal. All the officials could say was that the sale agreement is silent and didn't mention those things. I said you buy a farm, you make an assessment and everything is valued. So I think that is where again most of the farms get vandalised. Some of the farmers are bitter and start stripping the farm. Even windmills and other farm machines are vandalised.*⁶⁸

There are no adequate control mechanisms to document farm assets, to assess the condition of the farm throughout the prolonged land acquisition process. During the transfer period, electricity and water often get disconnected and the water pumps and electricity equipment vandalised. Some agriculture activities are not only capital-intensive but heavily rely on the intensive use of water and electricity. Agricultural activities like horticulture and dairy farming have been heavily affected by the widespread lack of adequate

66. Interview with Mapelo Tsieng, SLLDP farmer, North West, 9/10/2018.

67. Mr Jacob Erasmus DLRC member and SLLDP farmer, 18/10/2018.

68. Mr Jacob Erasmus DLRC member and SLLDP farmer, 18/10/2018.

infrastructure including water and electricity at the time of land transfer. The chances of the new occupant getting a farm which is not economically viable, if not bankrupt, are very high. This was explained by an SLLDP farm beneficiary with considerable experience within DLRC structures:

A lot of farms that they buy are not going concerns because of the fact that they are bankrupt and not operational. When they start delving into that they will see that the farms are bankrupt. If they know that they are buying a bankrupt farm they must also provide the money to farm and the business plan must show this. Giving people land to farm is a small part of land redistribution. You actually make people poorer by giving people land without sufficient support. Before you even farm there are expenses to pay. There are municipal rates and taxes, electricity costs. There is a need to ensure access to water and water rights, and insurance.⁶⁹

Operations on most farms can only commence once the government releases post-settlement support. As a result, land reform beneficiaries essentially occupy non-operational farms instead of raising concern. The overall implication of the set of problems around dilapidated infrastructure and asset stripping is that the state has to invest a substantial amount of resources in the form of production support. What is transferred is basically land without the essential machinery and capital equipment that would normally come with a fully operational farm. It is not surprising that in extreme cases the amount of post-settlement support required to recapitalise some of the dilapidated farms is almost equivalent to the purchase price. The majority of SLLDP farm beneficiaries across the five provinces indicated that they have insecure tenure rights. SLLDP does

not confer ownership rights to land reform beneficiaries. However, most beneficiaries expressed interest in owning land as opposed to leasing. In most cases, farm beneficiaries indicated that they have challenges in securing financial support from financial institutions because the leases are short-term and banks are reluctant to commit resources to these farms.

10.2. Elite capture by strategic partners and mentors

Strategic partnerships and mentorship arrangements are in principle important avenues of transferring skills and knowledge to new farmers and ensuring they gain access to the wider value chains by piggybacking on established agribusiness and commercial farmers. However, without stringent monitoring mechanisms, these relationships have often deteriorated and become a huge disadvantage to the land reform beneficiaries. Some agribusinesses and mentors have pursued private interests as opposed to the upliftment of land reform beneficiaries. The pressure to access cheap land and labour, and enhance profitability by minimising costs, has resulted in some agribusiness going into partnerships with land reform beneficiaries in bad faith. The pursuit of profits has seen some strategic partners only using the land reform as a conduit to access cheap labour and indirectly benefit from subsidised production support from the state.

The various forms of corruption employed by private agribusiness are often intertwined and mutually embedded. While there is a predominant form of corruption on individual farms, this often co-exists with other forms of corruption. Strategic partners are often imposed on land reform beneficiaries. The land reform beneficiaries are usually not privy to the details of the contracts and benefit-sharing arrangements. Strategic partners tend to have inordinate influence and maintain tight

69. Mr. Jacob Erasmus DLRC member and SLLDP farmer, 18/10/2018.

control on procurement processes and marketing of farm produce. This allows them to capture value upstream and downstream of farming. Beneficiaries are also excluded from key decision-making processes in relation to financial management, reinvestment of profits, and declaration of dividends. Unequal power relations are one of the key underlying causes of these forms of corruption and exploitative relationships. However, these forms of corruption can be manifested in a single land reform project representing the different routes through which resources are siphoned and captured within land reform.

Nirwanda farm in the Western Cape shows how different forms of corruption combine to facilitate elite capture in land reform. The most significant forms of corruption in the Nirwanda case include 'farm flipping' (Hall, 2019 pers. comm.), the imposition of a strategic partner, withholding the lease and production support, and removal of farm assets and implements.

Nirwanda consists of portions of a farm previously known as De La Haye originally owned and operated by Stephanus du Toit and his son. De La Haye farm marketed their fruits through SAFE.⁷⁰ In 2005, the family accepted a production loan of R1.8 million from the company, which was registered as a bond against the farm. After De La Haye defaulted on loan payments SAFE recalled the loan and proceeded to purchase the farm through one of its shelf companies called Quickvest for R7.3 million.⁷¹ In 2012, SAFE resold the farm to the DRDLR for R19 million and also became a strategic partner to the land reform beneficiaries. Following the flipping of Nirwanda farm and getting a windfall of R19 million, Bono Holdings was imposed as a strategic partner to the selected land reform beneficiaries of Nirwan-

da, the Big Five cooperative. The Big Five cooperative refused to partner with Bono Holdings on the basis that their track record in empowering land reform beneficiaries was questionable. The DRDLR withheld their lease and refused to offer any production support or recapitalisation. The Big Five cooperative continued to occupy the farm on the basis of an expired caterkeship while the signed lease remained with the DRDLR. Eventually, production on Nirwanda farm collapsed and millions of Rands are required to resuscitate the farm. Farm infrastructure and machinery are run down, and vandalism and stripping of assets have left the farm under-resourced. Water and electricity have been disconnected. While the state, through the DRDLR, failed to provide a valid lease and post-settlement support, they blame the collapse of the farm on the Big Five cooperative. Recently, the Big Five was in the process of being evicted by the DRDLR on the basis that the farm was not issued to them procedurally and that they have failed to productively utilise the farm. Following the total collapse of production, farm workers are now reliant on temporary jobs on neighbouring farms and social grant earnings.⁷²

10.2.3. Imposition of strategic partners

In the imposition of strategic partners, land reform beneficiaries are usually not given the option to choose their own partners or mentors. Most strategic partners rely on political connections with key political figures and state officials to get contracts as strategic partners and/or mentors. In this research, some SLLDP farms in KwaZulu-Natal and some cases in the Western Cape had strategic partners imposed on the beneficiaries. The state has, in some cases, acted ar-

70. Sommerville, M. 2019. Agrarian repair: agriculture, race and accumulation in contemporary Canada and South Africa. PhD thesis. University of British Columbia. See also Hazel Friedman. 2019. 'Farm flipping': How land reform was broken by the elite, <https://mg.co.za/article/2019-05-24-00-farm-flipping-how-land-reform-was-broken-by-the-elite>, 24 May 2019.

71. Sommerville, M. 2019. Agrarian repair: agriculture, race and accumulation in contemporary Canada and South Africa. PhD thesis. University of British Columbia. See also Hazel Friedman. 2019. 'Farm flipping': How land reform was broken by the elite, <https://mg.co.za/article/2019-05-24-00-farm-flipping-how-land-reform-was-broken-by-the-elite>, 24 May 2019.

72. Interview with Big Five cooperative, Western Cape, 25/10/2018.

bitrarily, since it remains the owner of the farms. Land reform beneficiaries are merely tenants on state land. The funnelling of recapitalisation funds through agribusinesses is also important since their control of budgets leaves beneficiaries powerless. Those who reject the state's preferred strategic partners are often sanctioned by the state officials involved. These sanctions include withholding leases, rendering the beneficiaries legally precarious. In addition, threats of eviction for those on a collision course with the state are not uncommon.

In the Western Cape, the strategic partners we encountered are mostly in the form of established agribusinesses. These well-established agribusinesses also have a footprint in other provinces. However, in KwaZulu-Natal, a slightly different phenomenon of informal strategic partners introduced outside the formal processes was also evident. The informal aspect of these arrangements involves state officials presenting prospective beneficiaries with potential business partners. The modus operandi is to target vulnerable groups like farm workers. There is also a case of a young university graduate affected by this form of corruption. The prospective strategic partners are often less established agribusinesses or itinerant, urban-based business professionals with interests in farming. Once these informally introduced business partners become part of the farming operations, the siphoning of resources ensues. The informal strategic partners often intercept recapitalisation resources and squirrel them out of the business. In some few cases they have tried to wrestle the farm from the beneficiaries.

The case of Moeketsi demonstrates how urban-based people are usually imposed on land reform projects and often displace the legitimate land reform beneficiaries. Moeketsi is a 28-year-old BComm graduate who was allocated a farm in 2015. During the interviews, one of the officials mentioned that he was young and might need

more experienced partners with more resources. After he had been allocated the farm, a DRDLR official brought two men to meet Moeketsi, and they promised him R1 million. The prospective business partners were supposed to pay half of their investment in the form of capital equipment for the farm and the other half in the form of working capital to finance daily operations. The promised capital never materialised and the two men have been trying to push Moeketsi out of the farm.⁷³

In the North West and Free State, the imposition of strategic partners was by virtue of the blanket funding arrangement that had been adopted at different points in time. In such instances, the substantial recapitalisation funds are allocated to different agribusinesses for disbursement. A group of farmers operate under the tutelage of these service providers. They have an influence on business plans, farm budgets and expenditure of resources. Some beneficiaries cannot, therefore, individually access recapitalisation from the DRDLR. This forecloses the option for farmers to select their own preferred agribusiness as service providers. A problematic issue is that these service providers also subcontract some of their work to different agribusinesses and individuals. This creates an imposed, intricate system of land reform financing with multiple actors and very little transparency and accountability.

10.2.4. Capture of value upstream and downstream of farming

In some instances, business plans have been used as instruments to control recapitalisation resources – especially in terms of how, when and where resources are spent, irrespective of the alternative plans that land reform beneficiaries might have for the farm. A related key strategy is the supply of inputs such as implements (including services by consultants and

73. Interview with Moeketsi Sithole, SLLDP farmer, KwaZulu-Natal, 1/11/2018.

mentors) at exorbitant prices in order to benefit the upstream business either owned or associated with the strategic partner. Contractors and service providers are a key group of social actors in redistributive land reform. However, their involvement in land reform is through mentors and strategic partners who hire them to provide farm infrastructure, farm machinery and implements as well as agro-inputs. In the North West, implementing agents alongside the appointed contractors and service providers were accused by the farmers of misusing recapitalisation funds. One of the farmers had written a letter to the DRDLR requesting permission to terminate the relationship with an implementing agent. The farmer narrated how the implementing agent and contractors misused and captured recapitalisation funds:

When we acquired farm implements, Agridelight would just use all the money budgeted for that instead of looking for cheaper options. My own understanding is that we are supposed to look for three different quotations and choose the cheapest option. On my recap budget, R235 000 had been allocated for purchasing a new a vehicle. Agridelight wanted to use all the money for the car purchase on a second-hand vehicle which had worn-out tires, had no bull bars, and a lot of mileage. I refused to accept the old car and had to look for alternatives. I ended up purchasing a new car for R268 000 and had to pay the extra money but at least I got a proper vehicle. When the contractors for the dam came, nobody from Agridelight spoke to me. When they came to build the kraal [sheepfold] there was no communication between me and the strategic partner. The kraal is falling apart, especially the gates. The kraals were built in 2017 but now the gates are on the ground. I must get a welder to fix them. Through this experience I have said to the DRDLR I don't need a strategic partner or mentor. I grew up farming, I know farming.⁷⁴

Substantial amounts of recapitalisation funds and production support are absorbed by contractors and service providers. Without transparency and accountability, land reform resources are captured through the provision of poor infrastructure, and farm machinery at inflated prices. Farmers have noted a number of irregularities where contractors and service providers have collaborated with strategic partners and mentors to inflate prices without looking for affordable alternatives.

Allocated budgets are often spent on sub-standard farm infrastructure, used farm machinery, and at times old livestock with few breeding years remaining. This has been a loophole within the land reform delivery process where most of the recapitalisation funds have been captured. Farm beneficiaries pointed to the problematic nature of this relationship. Although in some provinces some farmers have managed to rescind relationships involving these middlemen, their prospects for success have been greatly undermined by these highly unequal and exploitative arrangements.

The capture of value downstream of farming by agribusinesses through transfer pricing is common on land reform farms in strategic partnerships with private agribusinesses. Transfer pricing is also common whereby the strategic partner acquires farm produce from the land reform farm at very cheap prices. The produce is acquired by their sister companies and marketing agencies at very low prices to push up their profit margins and cross-subsidise their businesses.

10.2.5. Prioritising high-value crops

Mono-cropping of a high-value crop is prioritised instead of diverse cropping to support livelihoods of beneficiaries. This may result in conflict between beneficiaries and strategic partners based on disagreements on land use. Rakuni farm, in the Western Cape, experienced conflict and tensions between the strategic partner and beneficiaries over land use.

74. Interview with Moeketsi Sithole, SLLDP farmer, KwaZulu-Natal, 1/11/2018.

The strategic partner, Ekstein, wanted to plant the whole farm with olives. As the leader of the Rakuni cooperative noted, “they are the market, they have the building and machines to process the olives. They wanted the whole farm under olives, it was money for them”. After the disagreements, Ekstein abandoned the farm leaving the business account with R1 000. Farm workers now have their preferred strategic partner, but the DRDLR will not allow them to formalise the relationship with the new partner. In the meantime, the farm workers through their preferred strategic partner have ventured into small-scale vegetable production.⁷⁵

Agribusinesses experiencing profitability pressures in the value chains inherently focus on maximising economic returns. In the context of land reform, access to land is often a means to secure a guaranteed supply of farm produce for downstream businesses. However, land reform beneficiaries may have a different vision in relation to land use. In the case of Rakuni farm, the beneficiaries were also interested in mixed farming for multiple livelihood purposes. There is rarely sub-division of land to accommodate smallholder farming within the SLLDP programme. Business plans tend to prioritise productivity on large-scale commercial farming operations—targeting the fittest beneficiaries.

10.2.6. Failure to declare dividends

Agribusinesses often prioritise maximising profits, and in turn, reinvest these profits into the business as opposed to sharing benefits with land reform beneficiaries. Within the SLLDP programme, beneficiaries do not own land but are essentially tenants on state farms. The state retains ownership of land and takes a lead role in bringing agribusinesses into partnerships with land reform beneficiaries. Essentially, agribusinesses enter into an agreement with

the state itself and do not have a direct contractual relationship with the beneficiaries. In all the strategic partnerships investigated in this study, beneficiaries were not informed about the exact details of the contracts on business partnerships with agribusinesses operating their farms. Most of the beneficiaries expressed ignorance about the profit-sharing arrangements. They also indicated that they had not been paid any dividends by the strategic partners. Some of these farms are on an upward trajectory of accumulation either through recapitalisation and massive support by the state or by those ‘stepping in’ with private capital and ‘stepping up’ (Hall, et al., 2017; Scoones et al., 2010; 2012). Failure to declare dividends or share profits translates into using farm workers and other land reform beneficiaries involved as fronts. Social justice imperatives like farm worker welfare and inclusion of historically disadvantaged groups become a means of legitimising accumulation through cheap state land and accompanying subsidies.

75. Interview with Moeketsi Sithole, SLLDP farmer, KwaZulu-Natal, 1/11/2018.

Table 24: Key insights from the High Level Panel of Parliament Report (2017), the Presidential Advisory Panel on Agriculture and Land Reform Report (2019), and the PLAAS Elite Capture in Land Redistribution Research Report (2019)

KEY ASPECTS OF LAND REFORM	REPORT OF THE HIGH LEVEL PANEL (2017)	PRESIDENTIAL ADVISORY PANEL ON LAND REFORM AND AGRICULTURE (2019)	PLAAS RESEARCH REPORT (2019)
NEW LEGISLATION AND POLICY	The need for a New Land Framework Act in the Redistribution section, which speaks to how the various parts of land reform need to articulate to one another.	A national Land Reform Framework Bill as recommended by the HLP to operationalise equitable access to land and provide a transversal framework for all aspects of land reform. New White Paper on Land reform Policy by 2021.	Supports the need for new land reform law required to operationalise equitable access to land.
LAND CORRUPTION AND ELITE CAPTURE	HLP Report highlighted how the land reform policy has drifted from its initial pro-poor focus to one marked by signs of elite capture.	Improved oversight and more investigations and prosecutions to stop land-related corruption in all its forms. A Land Rights Protector must investigate allegations of corruption and refer cases to the NPA for prosecution.	Stinging monitoring and evaluation. Prosecution of those implicated in land corruption.
POLICY BIASES AND MEASURING SUCCESS	Outcomes or indicators of success in land reform should be broad and include improved food security, increased income and wellbeing, reduced vulnerability, and improved sustainability.	Development outcome indicators for land reform monitoring and evaluation. The government should communicate with other stakeholders to define what constitutes success in land reform.	Commercial success and maximising economic returns the overriding goal at the expense of multiple livelihoods and welfare of beneficiaries especially for the poor.
GENDER EQUITY	Women are minority beneficiaries of land reform. Nationally, women constitute 23% of land redistribution beneficiaries.	Gender equity emphasised as imperative and the glaring failure of land reform to include women is highlighted.	Women only constitute 19% of the beneficiaries amongst the 62 farms investigated.
LAND IDENTIFICATION AND ACQUISITION	Area-based planning, democratic and locally-driven processes of land identification recommended.	Decentralised, local, area-based planning with municipalities taking a lead role on the basis of Integrated Development Plans and participatory, demand-driven processes.	Participatory, locally-driven processes including area-based planning more effective than the fragmented, top-down land identification processes.
BENEFICIARY TARGETING, DISAGGREGATING THE CATEGORY HISTORICALLY GROUPS.	Under SLLDP, vulnerable constituencies namely residents of the former homelands, farm workers and labour tenants are not explicitly privileged in the land reform process and currently compete for public resources with those able to bring skills and capital from other sectors.	Beneficiary selection guidelines to stipulate who should benefit, how prioritisation of beneficiaries should take place, how rationing of public resources and selection should take place. Poor households with limited access to land including farm dwellers should get 30% of the budget while smallholder and marketed orientated producers should get another 30%. Medium-scale farmers should be allocated 30% and the remaining 10% should be allocated to large-scale commercial farmers.	Business people who are diversifying into farming constitute the majority of land reform beneficiaries amongst the 62 farms investigated for this research.
BENEFICIARY SELECTION	Lack of proper governance in land allocation. Beneficiaries are not being selected from updated district databases managed by District Directors of Land Reform. Absence of mechanisms to ensure that such databases.	Demand-driven land reform process whereby citizens are encouraged and supported to articulate their land demands. A need for open, democratic and transparent processes through which the state will respond to citizens' demands.	In all five provinces there was a shift from the use of databases for beneficiary selection. Advertising available land and interviewing prospective beneficiaries was preferred.
LAND RIGHTS AND SECURITY OF TENURE	Weak land rights and tenure insecurity are key challenges in the current land reform programme.	The need to secure land rights of beneficiaries are emphasised and land administration inefficiencies also contribute to weak land rights on land reform farms.	The majority of SLLDP beneficiaries have no valid leases.
MEASURING SUCCESS	Outcomes or indicators of success in land reform should be broad and include improved food security, increased income and wellbeing, reduced vulnerability, and improved sustainability.	Develop outcome indicators for land reform monitoring and evaluation: Government will work with other stakeholders to define what constitutes 'success' for different land reform objectives and identify 'outcomes' indicators.	Viable business plans to ensure profitability and maximum economic returns are prioritised at the expense of the welfare of beneficiaries.
THE ROLE OF THE PRIVATE SECTOR	Questions need to be raised about the quality of the relationship between beneficiaries and mentors/strategic partners.	Joint ventures could, among other things, access subsidised capital, water rights, and market contracts. Thus, agribusiness should provide well-integrated support services for new entrants.	Strategic partners, mentors and private agribusinesses capture resources through various forms of corruption.
INSTITUTIONAL CHALLENGES	Lack of framework for interdepartmental cooperation between the DRDLR and DAFF in managing the land reform delivery processes.	The creation of a land and agrarian reform agency which will combine land reform directorates in the DRDLR together with farming support directorates within DAFF. However, all the non-land and agrarian reform functions should be retained within the DRDLR and DAFF. Consequently, the DRDLR would be renamed to Department of Land Affairs (its old name).	The integration of the land reform component in DRDLR and agriculture component in DAFF under one portfolio is central to effective land reform delivery.

76. Out of the 12 (19%) farms allocated to women, 2 farms were allocated to two pre-existing groups that are led by women. These women did not access the farms as individuals but are merely the leaders of the groups. Out of the 50 (81%) farms that are being leased by men, there are 9 farms that are being leased to pre-existing groups that are led by men. These men did not access the farms as individuals beneficiaries but are the merely leaders of the groups.

11. FINDINGS

The predominance of well-off beneficiaries in land redistribution means that public resources are concentrated on the few privileged beneficiaries. In the context of this research study, the well-off beneficiaries with a comparative advantage over the poor are business people diversifying into farming with their own resources to invest. Policy-makers and agricultural experts often argue that well-off individuals are the ideal or fittest beneficiaries (Deininger, 1999). Our findings also reveal that some elite beneficiaries accumulate or 'step up' through recapitalisation or massive state support. Those 'stepping up' (Scoones, 2010; 2012) through sustained state support are often politicians, community leaders and former state employees who have maintained networks within state institutions and political circles locally and at various other levels. Other powerful actors within land reform include agribusinesses and mentors who often play the role of 'enforcing production discipline' so as to maximise production and profits (Hall and Kepe, 2017). Agribusinesses and mentors have an influence in terms of controlling production budgets and recapitalisation resources. Elite beneficiaries have often had some leeway in opting out of unequal relationships with agribusiness and mentors. However, poor, non-elite beneficiaries, for instance farm workers, often lack the power to challenge these unequal relationships. Elite capture of resources in land reform happens when policy biases facilitate the selection of well-off beneficiaries on the basis that they are likely to successfully engage in large-scale commercial farming. Besides policy biases, state officials, agribusinesses, and mentors capture public resources in land reform through various forms of corruption. Well-off beneficiaries exercise their economic and political influence to capture resources in land redistribution.

Findings from this study confirm that land redistribution programmes have, over the years, markedly shifted in favour of the large-scale commercial farming model. Well-off individuals have access to material resources and in land reform, this gives them a

comparative advantage over the less well-off or poor beneficiaries (Deininger, 1998). In addition, access to material resources enhances their prospects to succeed as large-scale commercial farmers.

A critique of the bias towards large-scale commercial farming does not necessarily discount the importance of this form of agricultural production in the overall agrarian structure. It is also not meant to advocate for policy to exclusively promote smallholder producers. The point is that the support of large-scale commercial farming is increasingly associated with the neglect of other important social groups initially identified as the key beneficiaries of land reform. Our findings show that landless people and the land poor, subsistence-oriented producers and smallholders, women, and the youth have become peripheralised and are benefiting less from land redistribution.

Evidence from this research also shows that the exclusion of poor social groups in land redistribution is attributable to elite capture of public resources in land redistribution. Different groups of well-off beneficiaries accumulate through land reform. Besides these beneficiaries, established agribusinesses in the corporate-driven agro-value chains also benefit from land redistribution – alongside the individual agribusiness elite who include landowners, mentors, contractors and service providers. These various groups capture value both upstream and downstream of farming. Different strategies used include 'farm flipping' (Hall, 2018 pers. comm.), the imposition of strategic partners and mentors, providing inputs and service at high prices, and buying farm produce at low prices through transfer pricing arrangements.

Economically dominant and politically influential people also capture public resources in land reform through various strategies. Well-off beneficiaries may access land and production support ahead of the poor through various strategies. According to Hall (2018, pers. comm.), 'double-dipping' occurs when people benefit more than once in land allocation. 'Double-dipping' (Hall, 2019 pers. comm.) also applies when beneficiaries benefit from or access

production support more than once. ‘Fronting’, especially amongst state officials, is another form of elite capture in land redistribution. The withholding of leases and threats of eviction are some of the practices used by state officials to extract rent from

the poor. Politicians and high-level bureaucrats also, in some cases, force lower-level officials to flout departmental processes when allocating land and recapitalisation funds.

12. POLICY IMPLICATIONS

The prevalence of policy bias alongside the rise in elite capture in land redistribution has important implications for land reform design and implementation in South Africa. There is a need to ensure that land reform policy returns to its pro-poor moorings in terms of policy support and allocation of resources. Besides, elite capture of public resources both in terms of policy biases which allow for accumulation by the few, or outright corruption, needs to be combatted. Some key policy implications are identified. These include the need to reorient land reform to prioritise the poor social groups, “ration the use of public resources” (Hall, 2018 pers. comm.) to broaden the social base of land reform beneficiaries, and develop stringent monitoring and evaluation systems.

12.1. Promulgate a new land reform law to ensure equitable access to land

There is a need for an overarching land reform law to ensure coherence in the various aspects of land reform policies and programmes. This research report supports the formulation of an overarching land reform bill as proposed by the High Level Panel of Parliament Report (2017) and the recent Expert Report on Land Reform and Agriculture (2019). The new National Land Reform Bill would provide a legislative framework for ensuring equitable access to land which is a constitutional right in Section 25 (5) of the Bill of Rights. The Land Reform Bill would also provide a legislative framework for all land reform. The Land Reform Bill would thus provide overarch-

ing principles to legally guide the implementation of land reform policies. The Land Reform Bill would also include land administration so as to ensure effective land administration systems in land reform. In relation to land redistribution, the land administration aspects of the Bill would focus on land rights, tenure security, and management of leases of land reform beneficiaries.

21.2. Promote demand-driven, decentralised land identification

In all the seven districts investigated for this research, there is a lack of meaningful participation by prospective applicants in processes of land identification. The state has, in several cases, taken a lead role in land identification as part of a pro-active approach to land acquisition. In other words, the process of land identification appears to be supply-driven as opposed to a decentralised and participatory process. In most cases, poor people lack the resources, information and knowledge to independently identify and apply for land. In contrast, well-off beneficiaries have the resources and information to identify the land they need. In some cases, they approach the Department, having already negotiated with the landowner. The government needs to strengthen district land reform committees and ensure that these local structures have the capacity to facilitate the implementation of a decentralised, participatory, and demand-driven land identification process. Most of the district land reform structures are limited by lack of resources and

expertise to conduct proper assessments in identifying farms. In addition, municipal Integrated Development Plans (IDPs) and local area-based planning processes are not prioritised in land identification. Local area-based planning would be useful in identifying which land is available, where that land is located and what the economic potential of that land is.

12.3. Shift in the 'class agenda' of land reform

There is a need for the state to clarify the 'class agenda' of land reform and how the agrarian structure will be reconfigured with what outcomes (Hall, 2012). One of the key framing questions in this research study is the issue of who has been benefiting from land redistribution in South Africa. At the moment, there is a need for the state to clarify the 'class agenda' of land reform, how the agrarian structure will be reconfigured, and with what outcomes (Hall, 2012). This research confirms the growing concerns and emerging evidence on the increase in elite capture in land redistribution (Lebert and Rohde, 2007 Cousins, 2013; Kepe and Hall, 2017).

12.4. Disaggregate the category 'historically disadvantaged groups'

Well-off beneficiaries (urban-based business professionals, taxi or transport operators, former state bureaucrats, and local politicians) continue to benefit disproportionately from the SLLDP programme on the basis that they are broadly part of the historically disadvantaged groups. A more inclusive land redistribution programme would need to include farm workers, labour tenants, and communal area farmers. The two groups we identified in our research as well-off beneficiaries – those who are 'stepping in' (Hall et al., 2017) by diversifying into farming (44%) and those who are 'stepping up' through recapitalisation (10%) – together constitute more than half of the beneficiaries. These well-off farmers are well-positioned to engage in large-scale commercial farming and medium-scale commercial farming. While SLLDP (2013:13) differentiates beneficiaries in terms of scale, there needs to be prioritisation of the poor

groups within the broader category of the historically disadvantaged.

12.5. Ration the expenditure of public resources in land redistribution

The rationing of public resources in land reform is important. This is a key requirement to ensure that resources reach the poor, the landless, women and the youth, as opposed to the concentration of public resources on a select segment of well-off farmers. Currently, substantial amounts of resources are deployed in the purchasing of farms for individual beneficiaries as opposed to large groups. These farms also absorb huge amounts of state resources through 'recapitalisation' to resuscitate production. The resources spent on recapitalisation are partly required due to vandalism and asset stripping of farms, especially during the transition from the previous landowner to the beneficiary or beneficiaries. There is a need to limit the discretionary powers mentioned in the Land Reform: Provision of Land and Assistance Act 126 of 1993 and introduce more prescriptive guidelines in order to rationalise disbursement of financial resources spent in acquiring farms and providing production support. In terms of resource allocation, the state should set an upper limit on the amounts that can be spent either in purchasing a single farm or on its recapitalisation. As recommended by the Expert Report on Land Reform and Agriculture (2019), the landless or land-poor households identified in the State Land Lease and Disposal Policy (2013) must constitute 30% of the beneficiaries. Smallholder farmers producing marketed output may also form another 30% of the land reform beneficiaries. The medium-scale commercial farmers may constitute 30% of the beneficiaries while the remaining 10% may be well-established, large-scale commercial farmers. This will make the programme significantly more broad and inclusive.

12.6. Promote gender equity

We support the recommendations of the Expert Report on Land Reform and Agriculture (2019) that the

state should allocate 50% of the resources in land reform to women to ensure gender equity. National land reform policies make commitments to gender equity. However, in practice, there is a lack of clear implementation guidelines on how to ensure that gender equity is achieved at district and local levels. The only available statistics on gender equity show that “nationally, women constitute 23% of land redistribution beneficiaries” (2016:37). Only Limpopo province has a high representation of women in land redistribution (ibid.). However, Kepe and Hall (2016) could not draw conclusions to explain why the figures for Limpopo are higher than elsewhere. Evidence from this research confirms that women are underrepresented in land reform projects. Most of the beneficiaries are wealthy men with knowledge and material resources to engage in large-scale commercial agriculture. Women form part of the poor social groups with limited material resources required to engage in large-scale commercial agriculture. The subdivision of land to accommodate different scales of farming and multiple land use activities is key to ensure land reform is inclusive of poor groups.

12.7. Ensure transparency in beneficiary targeting and selection

There is a need to prioritise local and democratic processes of beneficiary identification and selection. Systematic, up-to-date databases of potential land reform beneficiaries at the district offices is a key requirement. All the districts investigated in this research had either abandoned the database system or were not consistently using it. Systematic and up-to-date databases or lists of prospective applicants is useful in ensuring a more structured and transparent beneficiary selection process. Local structures, for instance the DLRCs, need to be strengthened in order to build their capacity to assist in beneficiary selection and targeting. This also requires developing clear processes and mechanisms to match available land to the needs of the beneficiaries.

(See Table 25 on the page.)

Table 25: Research evidence and key policy implications

EVIDENCE	ANALYSIS OF EVIDENCE	POLICY IMPLICATIONS
Land allocation and access to resources are skewed in favour of well-off beneficiaries: 44% are well-off individuals diversifying into farming and 11% are well-off individuals accumulating through massive state support. Together these two groups of well-off farmers constitute 55% of the beneficiaries.	Act 126 of 1993 (Act 126) is ineffective in ensuring equitable access to land. Act 126 gives the Minister discretionary powers and does not prescribe guidelines for rationing resources in land reform.	An overarching land reform bill which integrates the key elements of land reform and prescribes limits on the use and distribution of resources.
There is no clarity in policy on who will benefit from land acquired through expropriation without compensation. Our evidence suggests that under current conditions and existing practices, expropriation without compensation would similarly benefit the well-off at the expense of the poor.	Fundamental questions on who benefits or the targeting and selection of beneficiaries should be foregrounded to allow for equitable access to land following the expropriation of land without compensation. This requires clearly defined processes for beneficiary targeting and selection.	An overarching land reform bill which integrates the key elements of land reform and prescribes limits on the use and distribution of resources.
Evidence shows a lack of coordination between the DRDLR and DAFF in land reform delivery from farm assessments, land evaluation, and provision of production support.	Reconfiguring land reform institutions to ensure effective delivery is central to effective land reform delivery. Fragmentation and lack of coordination largely emanate from the separation of land reform and agriculture and limited state capacity to implement land reform.	The creation of the new Department of Agriculture, Land Reform and Rural Development is an important step in overcoming the enduring lack of coordination between agriculture and land reform components of land reform delivery.
In 58% of the cases, the state was the lead agent in land identification. The state is currently the lead agent in land identification with little evidence of participatory, demand-driven participatory processes.	Although the state can still remain pro-active in identifying land, there is a need for participatory, locally-driven processes in land identification. Land reform beneficiaries, with a few exceptions, are not involved in identifying land. DLRCs are equally ineffective, while local municipalities are also not involved.	Demand-driven and participatory processes in land identification and allocation are key to effective land reform delivery. Municipalities, through IDPs and area-based planning, should take a lead role in identifying land.
Most of the farms were allocated to men (81%) while only a few had women as beneficiaries (19%) - contrary to the policy commitment to gender equality.	Women continue to be marginalised in land redistribution in spite of the policy rhetoric. The inclusion of women is a prerequisite for equitable access to land as required by the constitution.	We support the recommendations of the Expert Report on Land Reform and Agriculture (2019) that the state should allocate 50% of the resources in land reform to women to ensure gender equity.
Only 15% of the farms were allocated to the 'rural poor' (farm worker beneficiaries). These are a priority category in policy, and make up a significant proportion of the rural poor.	Farm workers lack sufficient information and knowledge about the land reform process. Farm workers in commercial farming areas should be prioritised as beneficiaries	Strengthen participatory processes at the local level and ensure transparency in beneficiary selection. Systematic and up-to-date databases need to be maintained by local land reform offices.
44% of the farms were allocated to well-off businesses people diversifying into farming. These well-off beneficiaries already had access to their own capital resources outside of agriculture and include urban-based business owners.	The skewed distribution of resources in land reform in favour of well-off groups has impeded the realisation of equitable access to land in South Africa.	Rationing the expenditure of public resources in land redistribution is imperative. The proposal in the presidential panel report to allocate 60% of the budget to the smallholder producers and landless and land poor households is a good solution. The remaining 40% of the land may be allocated to the medium-scale and large-scale commercial producers.
State officials, business and political office holders, strategic partner and mentors capture land reform resources through various forms of corruption.	Land reform governance is weak and there is generally a lack of transparency and accountability within the land reform delivery process.	Developing stringent monitoring and evaluation of land reform programmes. This should include the prosecution of those implicated in the capture of public resources in land reform.
At least 45% of beneficiaries have no valid leases. Well-off beneficiaries, mainly those diversifying into farming and those accumulating through massive state support, form the majority of those not paying rent.	The lack of full ownership rights and weak land administration systems are evident in land redistribution. Corruption has also seen some state officials withholding leases in order to extract rent from beneficiaries.	A need to re-think the leasehold system in land redistribution. Full ownership rights are key to promoting long-term growth and investment in land reform farms.
'Viable' business plans, access to prior material resources (cattle, capital, etc.) and information are overriding considerations to qualify for leasing state land during interviews and beneficiary selection processes.	There is no willingness to subdivide large farms and accommodate smallholder farming within SLLDP. There is bias towards large-scale commercial farming. Land use for multiple livelihoods, food security and the general welfare of beneficiaries are limited.	It is imperative to develop broad and inclusive measures of success instead of an exclusive focus on maximising economic returns. The role of land reform in promoting livelihoods, food security and the social welfare of beneficiaries is also key to the realisation of equitable access to land as directed by Section 25 (5) of the Bill of Rights

12.8. Re-think the leasehold system in land redistribution and ensure security of tenure

The State Land Disposal Lease and Disposal Policy (2013) provides for the issuing of long-term leases to the SLLDP beneficiaries. The policy extended leases from 3 years to 30 years yet this is not being properly and consistently implemented – and now that the new policy has reduced the rental time to five years (SLLDP, 2019), the same problems will likely persist unless new systems and procedures are put in place. In several cases, farmers do not have valid leases and when they are issued, this is not done timeously. The high levels of tenure insecurity amongst the land reform beneficiaries have undermined the success of the programme in multiple ways. Some of the key problems include the lack of collateral security to access finance from banks and a failure to attract agribusinesses interested in strategic partnerships. Farmers cannot plan for the long-term including addressing succession issues, and the intergenerational aspects of farming especially involving their children in farming. Ultimately, the full ownership of land is a desirable option since the state has no capacity to administer leases for the farms acquired through SLLDP. Full ownership of farms will act as an incentive to encourage long-term investment. However, the downside could be land concentration when some beneficiaries who cannot compete, ‘drop out’ of farming and resell their land to wealthier farmers and agribusinesses. Land concentration may ensure that some farmers, especially the wealthy ones, diversify into farming by investing their own capital to become wealthy while the poor ‘drop out’ by selling off their land.

12.9. Develop stringent monitoring and evaluation of land reform programmes to enhance land reform governance

It is imperative to develop rigorous monitoring and evaluation instruments which monitor the entire process of the land reform delivery process. These transparent and stringent mechanisms for monitoring and evaluating the land reform delivery process should

look at key aspects of the process, for instance, beneficiary identification, land allocation, and the disbursement of post-settlement support. Clear performance measures and outcomes are important aspects of land reform governance. Important measures to ascertain the performance of land reform include: asset inventories to prevent vandalism; secure land rights after land allocation; production support; improvement in livelihoods; and the inclusion of women both as primary beneficiaries and in pre-existing groups like cooperatives.

12.10. Reconfigure land reform institutions to ensure greater coordination between land reform and agriculture components

We support the restructuring of land reform institutions including the two lead departments of land reform and agriculture which is currently underway. The efforts to integrate key components of land reform and agriculture under the newly created Ministry of Agriculture, Land Reform and Rural Development, following the sixth democratic elections, are key to achieving policy coherence and coordination. The restructuring of land reform and agriculture institutions should ensure that the acquisition of land, farm assessments and provision of agricultural support falls under one portfolio. Agricultural experts within the Department of Agriculture should contribute in decision-making processes especially in relation to land identification and acquisition, farm assessments, the provision of extension services, and the provision of production support to farmers.

12.11. Situate expropriation without compensation within the broader questions on equitable access to land

The political discourse and public debate on expropriation without compensation have gained prominence in South Africa. However, expropriation without compensation is not a silver bullet but merely addresses the manner of land acquisition. The sixth democratic elections followed the finalisation of public hearings to consider the desirability to amend the

property clause in order to allow for expropriation without compensation. Following overwhelming support for expropriation without compensation, the Constitutional Review Committee set out to clarify circumstances under which expropriation without compensation may occur. The Parliamentary process to amend the property clause in order to, among other things, clarify circumstances under which the state may pay zero compensation for expropriated land is underway. In its report, the Presidential Advisory Panel on Land Reform and Agriculture Report (2019) also identifies the different circumstances whereby the state may pay zero compensation following the expropriation of land. However, the debate on expropriation without compensation should simultaneously consider key questions in relation to equitable access to land. Clear mechanisms on how expropriated land will be made available in a manner that ensures equitable access to land are required. There is also a need to address underlying causes of past failures of land reform at policy, programme and project levels. One key challenge is the failure to prioritise the poor.

In short, expropriation of land without compensation is not a universal panacea to the challenges that characterise land reform in South Africa.

12.12. Review of the role of agribusiness and the private sector in land reform

Strategic partners, agribusinesses and mentors need to be monitored to ensure accountability in the use of recapitalisation funds meant for production or post-settlement support. Monitoring can be implemented alongside measures to ensure the timely release of recapitalisation funds and post-settlement support to facilitate immediate production on land reform farms. The monitoring of the distribution of post-settlement support must also ensure equitable access amongst beneficiaries. There is a need to ensure increased participation by SLLDP farm beneficiaries in the development of business plans. Mentors and strategic partners wield disproportionate power to control the farming enterprises often pursuing their own interests.

13. CONCLUSION

In the context of rural and agricultural land reform, the creation of an inclusive agrarian structure can contribute to the realisation of equitable access to land, as envisaged in Section 25(5) of the Constitution. We argue for a broad and inclusive agrarian structure whereby the poor and landless also benefit from land redistribution as opposed to a narrow focus on well-off beneficiaries. However, policy biases and elite capture of resources in land redistribution impede the realisation of equitable access to land in South Africa. In relation to policy biases, commercial 'viability' cannot be the only basis for measuring success in land redistribution (Cousins and Scoones, 2010). Policy-makers and agricultural experts in land reform tend to emphasise the importance of productivity, especially increased production of marketed output. These measures of success are narrow and exclusive. The SLLDP (2013) identifies landless and land-poor

households; smallholder farmers producing marketed output; medium-scale farmers; and well-established and large-scale commercial farmers as different groups of beneficiaries in land redistribution. However, in practice, beneficiary targeting and selection processes have tended to prioritise the well-off beneficiaries, mostly those in the medium-scale, and well-established, large-scale commercial farming categories. There is less emphasis on the role of land reform as a mechanism for social transformation by supporting household food security and multiple livelihoods amongst the poor.

Another key challenge in the implementation of pro-poor land redistribution is the capture of public resources in land reform by various economically and politically powerful individuals. State officials, politically powerful individuals and the economically dominant groups benefit through various practices which

enable elite capture in land redistribution. These practices include the soliciting and payment of bribes, 'double-dipping' (Hall, 2019 pers. comm.), fronting, the imposition of politically-connected beneficiaries, and bailing out politically-connected individuals. The bailing out of politically-connected individuals happens when the state purchases a farm experiencing financial challenges and allocates the same farm to its previous owner. State bureaucrats have, in some cases, withheld leases and threatened non-compliant beneficiaries with eviction. Agribusinesses also capture public resources through 'farm flipping' (Hall, 2018 pers. comm.), the imposition of strategic partners and mentors, the capture of value in the agro-value chains, prioritising high-value crops at the expense of multiple livelihoods, and failure to declare dividends. Both elite capture of resources in land redistribution and policy biases in favour of the large-scale commercial farming model overlap in complex ways to undermine the Constitutional commitment of ensuring equitable access to land. •

14. REFERENCES

1. Aiyar, S., Parker, A., van Zyl, J. and Binswanger, H. (1995). Market-assisted land reform: a new solution to old problems. Washington D C: Agriculture and Natural Resources Department Dissemination Notes, World Bank.
2. Aliber, M. and Cousins, B. (2013). Livelihoods after Land Reform in South Africa. *Journal of Agrarian Change*, Vol. 13 No. 1, 140-165.
3. Aliber, M. and Hall, R. (2012). Support for smallholder farmers in South Africa: challenges of scale and strategy. *Development Southern Africa*, Vol. 29, Issue 4, 548-562.
4. Aliber, M. (2019). How we can promote a range of livelihood opportunities through land redistribution. *Resolving the Land Question: Land redistribution for equitable access to land in South Africa*, 4-5 February 2019. Bellville: PLAAS, University of the Western Cape.
5. Aliber, M., Maluleke, T., Manenze, T., Paradza, G. and Cousins, B. (2013). Land reform and livelihoods: Trajectories of change in northern Limpopo Province, South Africa. HSRC Press, Cape Town.
6. Aliber, M., Mabhera, S. and Chikwanha, T. (2015). *Agrarian Reform and Rural Development*. Cape Town: High Level Panel of Parliament, Republic of South Africa.
7. Bernstein, H. (2003). Land Reform in Southern Africa in World-Historical Perspective. *Review of African Political Economy*, Vol. 30, Issue 96, 203-226.
8. Bernstein, H. (2003). 'Changing Before Our Very Eyes': Agrarian Questions and the Politics of Land in Capitalism Today. *Journal of Agrarian Change*, Vol. 4, Issue 1-2, 190-225.
9. Bernstein, H. (2008). South Africa's agrarian question: Extreme and exceptional? *Journal of Peasant Studies*, Vol. 23, Issue 2-3, 1-52.
10. Bernstein, H. (2010). *Class dynamics of agrarian change*. Halifax: Fernwood Publishing.
11. Binswanger, H. (1996). The political implications of alternative models of land reform and compensation. In J. K. J. van Zyl, *Agricultural land redistribution in South Africa: politics, markets and mechanisms*. Cape Town: Oxford University Press.
12. Binswanger-Mkhize, H.P., Bourguignon and van der Brink, R. (2009). Introduction and Summary in H. B. Binswanger-Mkhize, Bourguignon and van der Brink, R (eds.), *Land Redistribution: Towards a Greater Consensus* (pp. 3-40). Washington DC: The World Bank.
13. Borras, S. M. (2003). Questioning Market-Led Agrarian Reform: Experiences from Brazil, Colombia and South Africa. *Journal of Agrarian Change*, Vol. 3, Issue 3, 367-394.
14. Borras, S. M. (2007). *Pro-poor land reform: a critique*. Ottawa: University of Ottawa Press.
15. Chinsinga, B. (2016). The Green Belt Initiative, Politics and sugar production in Malawi. *Journal of Southern African Studies*, Vol. 43, Issue 3, 501-515.
16. Cousins, B. and Scoones, I. (2010). Contested paradigms of 'viability' in redistributive land reform: perspectives from southern Africa. *Journal of Peasant Studies*, Vol. 37, Issue 1, 31-66.
17. Cousins, B. (2013). Land redistribution, populism and elite Capture: New land reform policy proposals under the microscope. *The Journal of the Helen Suzman Foundation*, Issue 70, 11-19.
18. Cousins, B. (2013). Land reform and agriculture uncoupled: the political economy of rural reform in post-apartheid South Africa. In Paul Hebinck and Ben Cousins (eds.), *In the shadow of policy: everyday practices in South African land and agrarian reform* (pp. 47-62). Johannesburg: Wits University Press.
19. Cousins, B., 2013, 'Smallholder Irrigation Schemes, Agrarian Reform and 'Accumulation from Above and from Below' in South Africa', *Journal of Agrarian Change*, Vol.13, No. 1, pp. 116-139.
20. Da Corta, L. (2008). *The Political Economy of Agrarian Change: Dinosaur or Phoenix?*. Oxford : QEH Working Paper Series, Working Paper No. 174.
21. Doward, A., Anderson, S., Nava Benal, Y., Vera, S. E., Rushton, J., Pattison, J. and Paz, R. (2009). Hanging in, stepping up and stepping out: livelihood aspirations and strategies of the poor. *Development in Practice*, Vol. 19, No. 2, 240-247.
22. DRDLR. (2013). *State Land Lease and Disposal Policy*. Pretoria: Department of Rural Development and Land Reform, Republic of South Africa.

23. DRDLR. (2019). State Land Lease and Disposal Policy. Pretoria: Department of Rural Development and Land Reform, Republic of South Africa.
24. Dugard, J. (2018). Unpacking Section 25: Is South Africa's Property Clause An Obstacle Or Engine For Socio-Economic Transformation?. [Online] Wits.ac.za. Available at: https://www.wits.ac.za/media/wits-university/faculties-and-schools/commerce-law-and-management/law/documents/constitutional-court-review-program/Potential%20and%20Limits%20of%20Section%2025_CCR.pdf [Accessed 22 Nov. 2019].
25. Dutta, D. (2009). Elite capture and corruption: concepts and definitions. New Delhi: National Council for Applied Economic Research (NCAER).
26. Greenberg, S. (2017). Corporate power in the agrofood system and the consumer food environment in South Africa. *Journal of Peasant Studies*, Vol. 44, Issue 2, 467-496.
27. Hall, H. (2009). Land reform for what? Land use, production and livelihoods. In R. Hall, *Another countryside? policy options for land and agrarian reform in South Africa* (pp. 23-60). Bellville: PLAAS, University of Western Cape.
28. Hall, R. and Cliffe, L. (2009). Introduction. In R. Hall, *Another countryside? Policy options for land and agrarian reform in South Africa* (pp. 1-19). Bellville: PLAAS, University Of Western Cape.
29. Hall, R. (2004). A Political economy of land reform in South Africa. *Review of African Political Economy*, Vol. 31, Issue 100, 213-227.
30. Hall, R. (2010). The politics of land reform in post-apartheid South Africa, 1990 to 2004: A shifting terrain of power, actors and discourses. DPhil Thesis: University of Oxford.
31. Hall, R. (2012). The reinvention of land redistribution: three cycles of policy 1994-2012. Strategies to overcome poverty and inequality: Towards Carnegie III, 3 - 7 September 2012 (pp. 1-44). Cape Town: University of Cape Town.
32. Hall, R, Scoones, I. and Tsikata, D. (2017). Plantations, outgrowers and commercial farming in Africa: agricultural commercialisation and implications for agrarian change. *Journal of Peasant Studies*, Vol. 44, No. 3, 515-537.
33. Hall, R. and Kepe, T. (2017). Elite capture and state neglect: new evidence on South Africa's land reform. *Review of African Political Economy*, Vol. 44, Issue 151, 121-130.
34. Hamilton, L. (2006). Human needs, land reform and the South African constitution. *Politikon*, Vol. 33, Issue 2, 133-145.
35. Hebinck, P. and Cousins (2013). *In the shadow of policy: Everyday practices in South African land and agrarian reform*. Braamfontein: Wits University Press.
36. Hendricks, F. (2003). Walking towards justice: democratisation in rural life. *Research in Rural Sociology and Development*, Vol. 9, 185-202.
37. HLP (2017). High Level Panel (HLP) of Parliament Report on Assessment of Key Legislation and the Acceleration of Fundamental Change . Cape Town: Republic of South Africa.
38. James, D. (2007). *Gaining ground?: Rights and property in South African land reform*. New York : Routledge-Cavendish.
39. Jeffrey, C. and Lerche, J. (2000). Stating the difference: state, discourse and class reproduction in Uttar Pradesh, India. *Development and Change* Vol. 31, Issue 4, 857-878.
40. Kepe, T. and Hall, R. (2016). *Land redistribution in South Africa. Commissioned report for High Level Panel on the assessment of key legislation and the acceleration of fundamental change, an initiative of the Parliament of South Africa*. Cape Town: High Level Panel of Parliament.
41. Lahiff, E. (2007). Willing buyer, willing seller: South Africa's failed experiment in market-led agrarian. *Third World Quarterly*, Vol. 28, No. 8, 1577-1579.
42. Lebert, T. and Rohde, R. (2007). Land reform and the new elite: exclusion of the poor from communal land in Namaqualand, South Africa. *Journal of Arid Environments*, Vol. 70, Issue 4, 818-833.
43. Murray, C. (2002). Livelihoods research: transcending boundaries of time and space. *Journal of Southern African Studies*, Vol. 28, Issue 3, 489-509.
44. Mushongah, J. (2009). *Rethinking Vulnerability: Livelihood Change in Southern Zimbabwe, 1986-2006*. Dphil Thesis, Sussex: University of Sussex.
45. Ngcukaitobi, T. and Bishop, M. (2019). The Constitutionality of Expropriation Without Compensation. [Online] Wits.ac.za. Available at: [https://www.wits.ac.za/media/wits-university/faculties-and-schools/commerce-law-and-management/law/documents/constitutional-court-review-program/Ngcukaitobi%20Bishop%20Article%20\(FINAL\)](https://www.wits.ac.za/media/wits-university/faculties-and-schools/commerce-law-and-management/law/documents/constitutional-court-review-program/Ngcukaitobi%20Bishop%20Article%20(FINAL)).

docx [Accessed 22 October 2019].

46. Olofsson, M. (2019). Socio-economic differentiation from a class-analytic perspective: The case of smallholder tree-crop farmers in Limpopo, South Africa . *Journal of Agrarian Change*, 1-23.
47. Presidential Advisory Panel Report (Expert Report) on Land Reform and Agriculture (2019). Final report of the Presidential Advisory Panel on Land Reform and Agriculture. Pretoria: Republic of South Africa.
48. Scoones, I. (2015). *Sustainable livelihoods and rural development*. Halifax: Fernwood Publishing.
49. Scoones, I., Marongwe, N., Mavedzenge, B., Murimbarimba, F., Mahenehene, J. and Sukume, C. (2012). Livelihoods after land reform in Zimbabwe: understanding processes of rural differentiation. *Journal of Agrarian Change*, Vol. 12, No. 4, 503-527.
50. Scoones, I., Marongwe, N., Mavedzenge, B., Murimbarimba, F., Mahenehene, J. and Sukume, C. (2010). *Livelihoods after land reform: myths and realities*. Harare: Weaver Press.
51. Sender, J. (2016). Backward Capitalism in rural South Africa: prospects for accelerating accumulation in the Eastern Cape. *Journal of Agrarian Change*, Vol. 16, Issue 1, 3-31.
52. Vicol, M. (2019). Potatoes, Petty Commodity Producers and Livelihoods: Contract farming and agrarian change in Maharashtra, India. *Journal of Agrarian Change*, Vol. 19, Issue 1, 135-161.
53. Vink, N. and Kirsten, J. (2000). *Deregulation of agricultural marketing in South Africa: lessons learned*. Free Market Foundation (FMF): Monograph.
54. Vink, N. and Kirsten, J. (2019). *Principles and practice for successful farm land redistribution in South Africa. Resolving the Land Question: Land redistribution for equitable access to land in South Africa*. Bellville: PLAAS, University of the Western Cape.
55. Walker, C. (2003). Piety in the sky? Gender policy and land reform in South Africa. *Journal of Agrarian Change*, Vol. 3, No. 1-2, 113-148.



Institute for Poverty, Land and Agrarian Studies
School of Government
University of the Western Cape
Private Bag X17 Bellville 7535 Cape Town South Africa
Tel: +27 021 959 3733 Fax: +27 021 959 3732
www.plaas.org.za