

Sustainable Local Economic Development (LED) and Rural Land Reform Challenges and Prospects in Post-Apartheid South Africa—A Policy Perspective

Sultan Khan

*University of KwaZulu-Natal, Howard College Campus, Durban, South Africa
Telephone: +27762382067, E-mail: khans@ukzn.ac.za*

KEYWORDS Policy. Redistribution. Restitution. Tribal Authority. Agri-business

ABSTRACT One of the many grievances behind the struggle for liberation in South Africa was the question of land. In the post-apartheid era the priority is on rural land reform to promote local economic development. Rural land reform has been criticised for not reaching its multiple objectives of historical redress, redistribution of wealth and opportunities for economic growth. Particular weaknesses include the land tenure system prevalent on White owned commercial farms and communally owned land. The paper is informed from a participatory case study of different stakeholders within a district municipality in the province of KwaZulu-Natal. This is corroborated with similar research undertaken on rural land reform and LED projects in different parts of the country. It concludes with the view that for LED projects to be effective, rural land needs to be viewed as both as a means and mode of production since it is inextricably linked to economic growth in rural parts of the country.

INTRODUCTION

A popular newspaper in KwaZulu-Natal, The Natal Mercury dated 22nd February 2012 reported a political outcry on the failure of the ministry of Rural Development and Land Reform to engage with the Green Paper on critical issues relating to the Land Management Commission, restitution and communal property issues in the rural parts of the country. It argued that the policy fundamentals remain largely unchanged from the formula that was put in place at the time of transition to democracy. Of interest, was not so much the chronic underperformance of the policy framework that was critical for post-apartheid transformation on rural land reform, but the ability of the government to persist for so long with an approach that failed to deliver on its policy objectives. On the contrary in the urban parts of the country, the state was applauded for having restituted and finalised almost all land claims since its policy implementation.

Rural land ownership has become a thorny issue in the Rainbow Nation. Professor Ben Cousins the Chairperson of Poverty, Land and Agrarian Studies at the National Research Foundation, has commented that the land reform process in South Africa is in “deep trouble”. In broad terms, the government initiative to have 30 per cent of disputed arable land diverted back to the disadvantaged majority has failed both in terms of the land redistributed and the pace at which redistribution was taking place (Cousins 2012).

In the political corridors of South Africa the slow pace of rural land reform received prominent attention from the ruling party. The African National Congress Secretary General Gwede Mantashe commented on March 2012 at its national executive committee (NEC) meeting, that “[t]he slow distribution of land cannot continue. Doing so will be betraying the revolution. Land reform is at the heart of the struggle for freedom” (Mantashe 2012). In a similar vein, President Jacob Zuma, in his 2012 State of the Nation address acknowledged that the current programme has “failed” to adequately address the needs of rural South Africans. According to the latest figures from the Department of Land Reform on land expropriation, only 8 percent of White commercial agricultural land has been reallocated to previously disadvantaged groups. The slow pace of redistribution was accompanied by low productivity levels which hardly impacted on rural poverty. The situation was so serious that the Department of Land Reform engaged in the process of producing a green paper on land redistribution, to interrogate the prospect of further land expropriation (Bauer 2012).

For purposes of this paper a brief conceptual framework drawn from various research findings on land reform strategies of the government is examined which serves as a baseline to assess the status of land reform and agricultural intervention initiatives to promote LED projects and programmes within this case study.

Considering that the Department of Land Affairs has been challenged by many critical issues resulting in the pace of rural land reform not taking place as per policy expectations, this conceptual framework provides an important framework to validate the reasons for such poor performance. In the rural land reform process, low level performance in LED projects and programmes has been alluded to by different political actors in the country.

Productive rural land in the country is considered a gateway to persistent levels of poverty in the country given its vast deposits of natural resources and the prospect of adding value through the processing of raw materials at a district level. Currently there is a tendency to extract raw materials from the rural hinterland and transfer it to urban export processing zones wherein the manufacturing sectors are primarily located. Hence it comes as little surprise that the importance of land reform to promote local economic development in rural contexts has received such political prominence. The paper argues that the issue of land reform must be viewed as both as a means and mode of production if LED objectives are to be realized in raising the quality of life of those that are confined to the rural hinterland and its periphery in the country. This is based on the assertion that the ownership of land is central to the means of production and such ownership can serve as a catalyst to set in motion agricultural economic activities that can stimulate local economic development.

METHODOLOGY

The paper draws insights gained by the author having engaged in a case study comprising a rural community for a two year period in facilitating a social compact amongst a diverse group of stakeholders to mandate the Sisonke Development Agency (SDA) located in the Province of KwaZulu-Natal to engage with local economic development projects and programmes. The SDA is a company set up not for gain comprising a diverse group of stakeholders in the area. The paper draws from the conceptual framework formulated to facilitate a series workshops. It is based on research findings of drawn from expert secondary analysis in the field of agricultural land reform and LED projects and programmes. The social compact process involved some 200 diverse stakeholders comprising a wide spec-

trum of political groups, commercial farmers, small scale farmers, community groups, tribal authority structures, community based organisations (CBOs), non-governmental organisations (NGOs), local, provincial and national government, representatives from the departments of land affairs, agriculture and forestry and the national minister of land affairs. Hence, this paper is constructed from a systematic participatory approach which combines first-hand information gained from the field. The value of the paper lies in the fact that it provides informed explanations drawn from expert researchers on rural land reform and LED initiatives. Such an approach surpasses the outcry and rhetoric of policy makers from political platforms. It provides an informed position for corrective action to improve on future policies to kick-start economic development in the rural nodes of the country through proactive land reform measures.

National Policy Context and Rural Land Reform Performance - Brief Overview

Rural Land Reform Policy is strongly guided by the provisions of the White Paper on South African Land Reform Policy of 1997, with its emphasis on a market-based approach. Although critical areas of this policy have been reviewed, it nonetheless draws from the following models for rural land reform which until today forms part of its main policy framework:

Redistribution

This is largely promoted by means of discretionary grants provided by the National Department of Land Affairs (NDLA) for the purchase of land on the open market. The introduction of PLAS (Proactive Land Acquisition Strategy) in 2006 has led to a growing proportion of land being purchased directly by the state, albeit still on the basis of voluntary transactions and at agreed ('market-based') prices. Debates around land reform since 1994 was dominated by the extent of land redistributed from White to Black owners (or occupiers), usually expressed as a proportion of the total area of agricultural land owned by White people at the end of apartheid. By March 2007, the land reform programme in all its forms transferred in extent of four million hectares – roughly 5 percent of White-owned land to historically disadvantaged Black

South Africans. Of this, approximately 45 percent came from the restitution process and 55 percent under various aspects of redistribution, including the Settlement/Land Acquisition Grant (SLAG), Land Reform for Agricultural Development (LRAD), commonage, farm worker equity schemes, state land disposal and tenure reform (Lahiff 2008: 1).

The above quantitative measure provides only a crude indication of the pace and direction of land reform. It obscures important issues of land quality and location, the socio-economic profile of beneficiaries and the quality of post-settlement (or post-transfer) support, if any. The market-based approach favored by the state and the World Bank loosely captured under the slogan of ‘willing seller, willing buyer’ resulted in failure due to escalating cost of acquiring suitable land from sellers and budgetary constraints by the state to purchase such land (Lahiff 2008: 1).

Restitution

The Restitution of Land Rights Act, 1994 (Act 22 of 1994) provides for the restitution of land or the award of equitable redress to persons or communities dispossessed of land as a result of past racially discriminatory laws or practices. The Restitution of Land Rights Amendment Act, 2003 (Act 48 of 2003) empowers the Minister of Rural Development and Land Reform to purchase, acquire in any other manner or expropriate land or rights in land for the purpose of restitution awards or for any related land reform purpose (Department of Rural Development and Land Reform 2009: 9).

Under the restitution model, 2007 marked the settlement of virtually all outstanding urban land claims. This trend continues by settling large community claims with the restoration of sizable areas of rural land. Many of these claims were on land considered holding high agricultural value, forestry land, or on land with well-developed tourism enterprises, including large citrus estates and game reserves in the Province of Limpopo, tourist lodges in Mpumalanga, and sugarcane plantations in KwaZulu-Natal and tea estates in the Eastern Cape. More recently, this model emphasizes the creation of ‘strategic partnerships’ between restitution claimants and commercial operators. It is also driven by the demands of claimants for development assistance, training and investment (Lahiff 2008: 3).

Farm Dweller Land Reform

The Land Tenure Reform Model is considered to be a weak link in the land reformation process. Particularly neglected are the large number of farm workers, labour tenants and their dependents who live on mostly White-owned farms, and the nearly 30 percent of all citizens who reside within the communal areas of the former homelands, mostly under tribal authorities (Hall et al. 2007: 6; Parker 2004: 35-36). More specifically, according to the Department of Rural Development and Land Reform Strategic Plan for 2010-2013 (2009: 16) it estimates that some 2,8 million people live on commercial farm land without any security of tenure, landless poor who live in and around rural small towns without meaningful incomes and people from overcrowded former homelands in KwaZulu-Natal and Mpumalanga provinces have the largest concentration of farm dwellers. The high incidence of farm evictions and the abuse of farm labour and farm dwellers continue to be highlighted by the South African Human Rights Commission (SAHRC 2003) and land reform NGOs. The DLA has developed a Land Rights Management Facility, aimed at providing legal services to farm dwellers in partnership with the Department of Justice and other state and Non-Governmental agencies.

Communal Land Tenure Reform

Little progress was made in the area of communal tenure reform due in part to a Constitutional Court challenge to the Communal Land Rights Act 11 (CLARA) of 2004 by various affected communities. Almost seventeen million people in South Africa live under the tutelage of the tribal authority system and are affected by this Act as they are denied land tenure security. It is estimated 28 percent of the land in rural areas are under claim of which 70 percent are agricultural land (Hall et al. 2007: 4) owned by White commercial farmers and multi-national companies. The continuing dispute on the powers and authority of the National House of Traditional Leaders on their rights to administer land usage and planning has had a negative impact on the valued contribution that this Act would make in accelerating land reform in the rural areas. Notwithstanding the contribution of this

Act in promoting land ownership and local economic development, tribal authorities in the country objected to passing of this act as 60 percent of the Council members would be elected by the house whilst the remaining 40 percent will be democratically elected from their respective constituencies. This was problematic as the Act did not undo the tribal authorities established by the Black Authorities Act (BAA, Act 68 of 1951) which under apartheid was abused as a legal framework for the bogus independence and legitimisation of apartheid-era homelands which legalised the imposition of tribal authorities, tribal boundaries and unelected chiefs and headman on Black rural communities (Law, Race and Gender Research Unit 2010: 1-2). In the absence of clarity on the future of communally owned land, any land usage planning and local economic development initiatives becomes precarious.

Decentralisation of Rural Land Reform Programmes and Projects to Kick-Start Local Economic Development

From the aforementioned sections of the paper, it becomes clear that rural land reform in the South African context has not evolved to appreciable levels since democracy despite the fact that policy mechanisms have been put in place at a national and regional level as depicted in Table 1.

Table 1: Unresolved rural claim by province as at 31 March 2007

<i>Province</i>	<i>Number</i>	<i>Percentage of total</i>
Eastern Cape	600	11.4
Free State	100	1.9
Gauteng	10	0.2
KwaZulu-Natal	1 822	34.5
Limpopo	700	13.3
Mpumalanga	971	18.4
Northern Cape	229	4.3
North West	247	4.7
Western Cape	600	11.4
Total	5 279	100.0

Source: CRLR (2007:11)

At the National Land Summit held in July 2005, the government acknowledged that land reform was not on track and that ‘a new trajectory’ would be needed in order not only to improve the pace of rural land reform but also to

move away from an *ad hoc* approach to land reform. The policy paper tabled at the summit by the Ministry of Agriculture and Land Affairs (MALA) called for a review of the guidelines for integrated development plans (IDPs) and the piloting of new systems and procedures (MALA 2005: 90). The summit called for further decentralisation so that land reform would be driven from the local government level and co-ordinated through municipal functions. It resolved that local government must:

- *Play an active role in land and agrarian reform – identify local needs; release municipal land and assist to identify land to meet needs; and provide services and support to beneficiaries.*
- *Ensure land reform is included in every Integrated Development Plan (IDP) and define it as LED [local economic development], i.e. part of the mandate of local government.*
- *[Establish] local land forums to identify land needs and include landless, municipalities, DLA, agriculture and landowners (Hall et al. 2007: IV).*

Since the summit, the DLA adopted a Proactive Land Acquisition Strategy (PLAS), which emphasises area-based planning for land reform, in conjunction with local governments (DLA 2006). Dubbed as ‘one-stop shops’ located at a municipal level was one way in which the services of Land Affairs, Agriculture, Housing and other line department functions could be integrated. Despite the laudable positive value this may add to fast track rural land reform processes, to date these have not been established. This is despite the perceived benefits that could be derived from such a model. The question arises: Will ‘proactive’ land reform lead to district-level land reform plans and improved co-ordination among state and other agencies? What role can and will local government play given that most of the district municipalities are in financial distress? Will this in turn expedite the redistribution of land? Will it make possible the acquisition of land in suitable parcels in areas of high demand? Will it ensure the provision of services and promote post-settlement support?

Despite such provocative questions, the DLA continued decentralising the land reform process. Implementation of this initiative contained the establishment of district land reform offices (DLROs) of the DLA. These offices re-

port to the DLA's provincial land reform offices (PLROs). However, the DLROs are not part of district municipalities – they are offices of the national government department charged with the responsibility of implementing national policy. Questions about how this decentralisation of land reform implementation could be aligned with local development planning are key challenges that the District Municipalities face until this day.

Since the Land Summit in July 2005, no policy has been concluded or ratified on how the DLROs will interface with local government. In the May 2006 land summit, the DLA adopted a Proactive Land Acquisition Strategy, which emphasised area-based planning for land reform in conjunction with local government (DLA 2006). The DLA also proposed vacant land audits at a municipal level. Meanwhile, other actors began to develop approaches that sought to link land reform policy with implementation approaches driven from the local level. Some of these approaches were piloted, but there was no forum to bring together experiences and lessons emerging from these. However, the World Bank proposed a version of local integrated development termed 'scaling up community driven development'. This involved decentralising decision making and empowering communities, especially by providing more control over resources and local decision making.

In the fight against poverty, both government and development agencies adopted an approach to encourage people to make use of resources available within their local environments in order to improve their livelihoods. Economic development projects were encouraged in the fight against poverty. It sought to utilise land and natural resources in ventures that ranged from commercial agriculture to mining; forestry; eco-tourism; and other forms of commercialisation of natural resources. This was a response to past policies and legislation that sought to control access to land and natural resources by the disenfranchised Black population groups (Parker 2004: 32).

An important observation made earlier by Dewar (1998) on LED inspired projects and programmes, was the misuse of LED interventions and funding by local politicians which has much resonance in the South African context. In her study of LED funding in Minnesota (USA), Dewar found that there was too much political con-

trol and interference in LED programmes and projects (Cousins and Kepe 2002). Similarly in South Africa, politicians want to look good in the eyes of their constituency and use LED funding for their own electioneering interest by channeling money to areas where they can get the greatest political support and visibility – and not to areas with the greatest need. Often certain lucrative economic nodes were favored as against areas in dire need of investment.

Traditional leaders are no different to their elected political counterparts. By virtue of their ex-officio positions on municipal councils they also exercise their political hegemony by ensuring that certain LED projects and programmes are initiated within their constituency. In so far as participation in local government affairs are concerned, traditional leaders are known to avoid such engagement. It is argued that the failure of traditional leaders to participate was clouded by political interests as they were apprehensive that their authority over communal land rights would be eroded over time. Notwithstanding such uneasiness, both traditional leaders and elected councils interact and collaborate on matters related to their constituency at a ward level instead of the municipal council level where important decisions are made on LED projects and programmes falling within the purview of their constituency.

RESULTS AND DISCUSSION

Challenges Facing the Pace of Rural Land Reform and Prospects for Local Economic Development

Given the pace of rural land reform the prospects for local economic development has increasingly become precarious due to a multitude of reasons. For purposes of this paper the most salient will be highlighted. Due to the lack of clear jurisdiction on communally owned land under the tutelage of the tribal authority system and the blurring of roles and responsibilities of tribal leaders, land use management and conservation of the environment has been predisposed to risks. This is no different to observations made by the KwaZulu-Natal Planning and Development Commission (2010) and earlier by Benseler (2002) who noted that communally owned land tends to be overgrazed and infrastructure vandalized leaving very little room for land-use management plans.

While there could be various reasons for the inability of the municipality to manage commonages properly (for example, lack of staff, poor administrative infrastructure, lack of expertise etc.), the attitude of municipal officials towards commonages and the low levels of confidence accorded in the ability of the poor to engage in agricultural production for the market is observed to be a major challenge in the promotion of LED projects and programmes. Such an assertion corroborates with Andrew et al. (2003: 16) that the low value accorded by State agencies to the importance of natural resources in people's livelihoods means that they are left on the periphery of development plans and projects. A need existed for planners and policy makers at the municipal level to appreciate the value of natural resources in the lives of rural people and its potential catalyst to promote LED opportunities.

Attempts to secure tenure in communal areas, on White owned farms, for labour tenants and land reform beneficiaries proved to be the weakest component of the land reform programme. Poor intergovernmental relations limited the co-ordination of effective support. There appears a lack of shared accountability and fragmentation in inter-departmental key performance areas as well as insufficient productive potential of the land to support those settled on it. In addition, inadequate attention was paid to the establishment of sustainable human settlements. Fragmented support for natural resource management such as access to water resources and management of environmental risk has been noted. The provision of post-transfer support to land reform projects was poorly reflected in IDPs. Communication gaps between the Commission and municipalities have led to restitution being either left out or marginalised in LED strategies and IDPs. Evidence suggests that the tardy involvement of municipalities in restitution processes, often at a late stage in the process of settling claims made it difficult, even impossible, to plan support for restitution.

Even in instances where land was restituted to the rural poor, due to the relatively small grants awarded to individuals for land acquisition and to groups of often unrelated individuals, who were forced to be business partners in farming ventures, resulted in numerous conflicts. Eventually these conflicts transformed into a source of failure within agricultural projects. The paltry

amount to kick-start agricultural production especially in light of the fact that these local economic development programmes are labour intensive was cited to be a source of failure in agricultural production. Further it was observed that it was the older people who initiated and participated in these programmes. There was a tendency for the better educated and active youth to migrate from rural to urban centres in search of employment in the manufacturing sectors, straining the rural household's labour capacity.

Youth perception on agricultural LED projects was often characterised by disillusionment given the protracted nature of such programmes. They did not see the benefit of working the land as a means to promoting LED. Also they perceived agricultural production was for land owners and their parents since they had very little ownership and say as to how the land would be utilised. A gender bias also underscored the extent to which land was made productive. Females were far more likely to engage in agricultural production programmes as compared to their male counterparts.

Youth participation in agricultural production was also dependent on the extent to which the district municipality engaged with them on the different facets of agricultural production. It was felt that skills training programmes in the field of agriculture and land use management would attract youth interest in this sector with a potential to creating the next generation of agricultural producers within rural municipalities (Sisonke District Municipality Land Reform Programme Presentation to the Minister of Land Affairs, September 2012). Securing the next generation of agricultural producers was viewed as a proactive measure towards sustainable agricultural LED programmes and projects within the district municipalities.

Collective ownership of land and collective agricultural production was not perceived to be a challenge and was favored generally. Notwithstanding such a perception, there was wide agreement that many of these collective institutions were in trouble. This was largely due to them being effectively imposed on people by land reform programme initiators with little consideration for its appropriateness amongst beneficiaries given their peculiar circumstance, the actual wishes of participants in the programme and inability in providing alternatives beyond

the collectivisation of agricultural holdings. Insistence on collective production strategies emerged as a 'solution' to the challenge of managing large farming units which was similar to White farming operations undertaken on a commercial scale. This observation corroborates with that of Lahiff et al. (2008) who note that the imposition of 'business plans' based on conventional commercial farming models and often questionable financial assumptions, with little reference to the needs and resources of the actual participants was known to militate against sustainable agricultural production. Some well-disposed beneficiaries in agricultural programmes have been able to work around the collective model by securing sufficient grants, loans and resources of their own to buy entire farms, either individually or as small family-based consortiums. For poorer beneficiaries in the redistribution programme, grants that fall far short of typical farm prices were left with little choice but to partner other beneficiaries in order to make their claim viable.

Even though rural land reform through redistribution and restitution projects have been initiated successfully, in such instances a lack of post-settlement support from the departments of agriculture and other state agencies influences agriculture being a platform project for LED initiatives (Matlala 2014: 836; Hall 2004; Lahiff 2001). Many of the farms transferred to Black farmers were found to be standing fallow because they lacked experience and agricultural support. In 2010 Land Reform and Rural Development Minister Gugile Nkwinti revealed that more than half the farms bought by government in 2009 as part of its Land Redistribution for Agricultural Development programmes had failed or fallen into decline. In 2009, 90 percent of the 5, 9-million hectares of land the state bought for emerging farmers was not productive, and that the state was therefore losing revenue. In some cases the situation was so dire that many were quoting the former Director General of the Land Affairs Department when describing redistributed land as: "assets dying in the hands of the poor" (Sisonke District Municipality Land Reform Programme Presentation to the Minister of Land Affairs, September 2012). To this extent, various studies have shown that beneficiaries experienced severe problems accessing services such as credit, training, extension advice, transport and ploughing services, veterinary

services, and access to input and produce markets (Matlala 2014; Lahiff 2007; Bradstock 2005; Hall 2004b; HSRC 2003). Of late, attention also focused on the lack of support to institutions such as CPAs (Communal Property Associations) and trusts charged with managing the affairs of group inspired agricultural projects.

Added to the failure of the LED agricultural programmes and projects, one finds resistance from White commercial farmers to sell parts of their agricultural holding as a reason. Even those that were sold were of poor soil quality (Lyne and Darroch 2003). The situation was further exacerbated in situations where Black agricultural entrepreneurs lacked adequate farming skills to engage in commercial farming methods to produce value added goods for the commercial markets. Traditionally, many Black households in the rural areas engaged in subsistence farming on little plots of land to supplement their food security and beyond this never did acquire skills to engage in big agri-business ventures (Baiphethi and Jacobs 2009). Too much emphasis was placed on large scale agri-business as LED projects in the rural DM which demanded high capital investments, skills and expertise. Support to start small scale farming activities through the use of co-operatives was hardly considered as an interim measure considering the stalemate prevalent on land reform progress and the protracted and complex nature of the land claim process. This was despite the knowledge that co-operatives are known to grow into large scale agri-businesses and in this case several White Agri-business Forums with a wealth of expertise in commercial agriculture could serve as an important resource base to train emerging Black commercial farmers.

Even more worrying was the impact of the present land reform initiatives on investor confidence. Agriculture, tends to be very labour-intensive in South Africa and consequently has been pegged as a key sector to help create five-million jobs by 2020 but uncertainty caused by the land reform process has slowed investment. Once a land claim has been filed, departmental researchers have to assess the validity of the claim. This process, due in part to backlogs at the department of land affairs, has been found to take a prolonged period of time, even decades to accomplish. During this period, farmers whose land was under assessment were disinclined to make further investments on their agricultural

activities impacting negatively to sustain LEDs. Land claims impacted not only on investor confidence. White farmers who had a claim on their land could not borrow against that land for the next harvest season nor buy machinery or make improvements. In addition, aspirant new Black farmers could not secure bank loans to purchase this land. This stifled growth in the local economy of the district which in turn negatively impacted on the ability of these economies to provide jobs and stimulate social mobility as demanded by the locals (Sisonke District Municipality Land Reform Programme Presentation to the Minister of Land Affairs, September 2012).

Given the slow pace of agricultural land reform and serious gaps in the implementation of agricultural LED projects and programmes such negative impacts was occurring in the midst of a global rise in food and commodity prices. Rural municipalities were at a loss on important new economic opportunities since the slowdown was beginning to undermine its competitiveness and capacity in the agricultural sector. Globally more mechanisation and technological sophistication in the agri-sector placed additional competition on rural district agri-businesses to compete. Increasingly there was a tendency for commercial agri-businesses in the district to shift a proportion of their assets and energy into neighbouring districts and other countries. In short the realities of competitive international agriculture and the implementation of current land reform policies were at odds. The district consequently was slipping as a competitive place in which to do agri-business.

Like other initiatives to transform South Africa's economy and society, land reform was now considered as a means to achieving Black economic empowerment, as required by the Broad-based Black Economic Empowerment Act 53 of 2003. A draft of the Agricultural Broad-based Black Economic Empowerment (AgriBEE) Charter was released in July 2004, and further modified at the AgriBEE Indaba (summit) in November 2005 (Hall 2004a). The draft Charter reiterates the existing target of redistributing 30 percent of agricultural land to Black South Africans by 2014, but also sets ambitious targets for the de-racialisation of ownership, management and procurement in the agricultural sector, including 35 percent Black ownership of existing and new enterprises by 2008 (DoA 2004). The targets apply throughout the value chain, rather than just

at a farm-level, including value-adding and processing industries in secondary agricultural activity. However, the BEE focus on de-racialising demographics in shareholding, management and procurement was relevant mainly to large agricultural holdings and allied enterprises in the agribusiness sector. Given the lack of capacity amongst Black partners White farmers displayed some resistance to such transformation resulting in relocation to other parts of the continent. On the contrary some White commercial farmers who had no prospect of relocating but to buy into the AgriBEE Charter have taken on proactive measures to set up private training initiatives to skill their new found partners through the Skills Development Levy. This largely aimed at ensuring that the skills deficit was narrowed and solidified the strategic partnership within the agri-LED initiative (Sisonke District Municipality Land Reform Programme Presentation to the Minister of Land Affairs, September 2012).

One of the main reasons as to why LED projects at the District Municipality level did not realise its maximum economic potential was due to the lack of value added to raw agricultural produce originating from the area. Much of the raw produce was directed to export producing zones (EPZ) located in large cities where the manufacturing sector was well developed to add value. District Municipalities had little or no infrastructure to attract the manufacturing sector so that value to high yielding agricultural produce may be added. Timber, milk and the canning industry for export markets could add greater economic value within the District Municipalities and create jobs for the younger generation resulting in slowing down the large exodus of the active youth population to urban centres (Sisonke District Municipality Land Reform Programme Presentation to the Minister of Land Affairs, September 2012).

Using a wide range of approaches to maximize agricultural production may be viewed as a way of supporting LED programmes and project. There was a tendency towards mono-cropping agricultural products as compared to multi-cropping approaches on land that was awarded to beneficiaries. Multi-cropping involved indigenous food production approaches for local markets which could both support LED projects and programmes and at the same time alleviate food scarcity and poverty within the District Municipality. Mono-cropping was both costly as it re-

quired large tracks of land as compared to multi-cropping which ensured that agriculturally productive land was used to the maximum. For example, maize, pumpkins, root vegetables etc form part of the staple diet of many Black South Africans and these can be easily integrated within the large sugar cane estates of the District Municipality (Sisonke District Municipality Land Reform Programme Presentation to the Minister of Land Affairs, September 2012).

CONCLUSION

The paper examines the slow pace of rural land reform programmes and LED projects and identifies the key areas for policy failure. It emphasises that rural land reform and LED projects and programmes are inextricably linked as land constitutes both the means and mode of production. They constitute an inevitable twin in the development process if rising levels of poverty are to be eradicated. It appears that political actors were in part responsible for the failure of rural land reform which impacts negatively on LED initiatives. This was so because it was the very same political actors that were responsible to ensure that at an administrative level the different facets of the policy framework for rural land reform and agricultural development was planned, implemented and evaluated timeously. Evaluation mechanisms could ensure that a time lag is avoided to correct any failures in the implementation stages of LED policies. Rural development, given the apartheid legacy has been a neglected area and highlights that if proactive measures are not taken in the post-apartheid era to sustain LED projects and programmes, it could result in widespread migration to South African cities increasing the already overwhelming pool of unemployed and the poor. This has already been witnessed by high levels of migration amongst the younger generation of rural inhabitants to the city centres making the rural areas a dormitory enclave no different to what was prevalent during the apartheid era. The issue of land reform in the South African context demands a strong political will on the part of the state including organs of civil society and different stakeholders through a social compact as witnessed within this case study. The Sisonke District Municipality is a case in point that illustrates that the formation of the SDA is an important mechanism through which land reform and

LED projects can be initiated. District Municipalities are given unfunded mandates by the state for land reform and LED projects and programmes. Hence the formation of development agencies such as the SDA can help support and take away the burden from the already over stretched municipalities who have overwhelming responsibility for service delivery and infrastructure development.

RECOMMENDATIONS

The paper highlights the dire need for rural land reform which is inextricably linked to local economic development. Land is both a means and a mode of production. Without such a vital resource, local economic development in the rural parts of South Africa is unlikely to impact positively on the lives of the poor who are trapped in this spatial enclave. However, rural land reform programmes in its self cannot initiate local economic development without the support of government through a variety of skills development programme in the agri-business sector. Using a participatory approach in local economic development programmes and looking at the prospects for reforming vast amounts of land under the tutelage of tribal authorities could strategically serve as a catalyst for rural development. Youth are central to local economic development programmes as they constitute the active labour force within the economy. A need exists to make rural local economic development attractive to retain its active labour force from migrating to urban centres. White owned commercial farmers have many skills to offer by way of transferring agri based skills to the local indigenous people in rural parts of the country. Strategic partnerships with the White agri-business sector can help not only to advance skills but also kick-start local economic development opportunities through manufacturing activities in a variety of agricultural commodities. This will not only add value to agricultural products but will also create much needed employment opportunities to alleviate persistent levels of poverty plaguing rural communities.

ACKNOWLEDGEMENTS

The author would like to thank Sisonke Development Agency for providing insights on the future development of the locality and allowing the author to access various policy documents.

REFERENCES

- Andrew M, Shackleton C, Ainslie A 2003. Land use and rural livelihoods: Have they been enhanced through land reform? *Policy Brief No. 5*, Programme for Land and Agrarian Studies. South Africa: University of the Western Cape.
- Baiphethi MN, Jacobs PT 2009. The contribution of subsistence farming to food security in South Africa. *Agrekon*, 48: 459-482.
- Benseler A 2002. *Municipal Commonage Administration: Can the New-Look Municipalities Promote Emergent Farming?* Bloemfontein: HSRC Commonage Report.
- Bauer N 2012. Zuma Tears Into Mulder Over Land Reform – State of the Nation Report 2012. Mail and Guardian. From <<http://mg.co.za/article/2012-02-16-zuma-tears-into-mulder-over-land-reform>> (Retrieved on 13 September 2012).
- Bradstock A 2005. *Key Experiences of Land Reform in the Northern Cape Province of South Africa*. London: FARM-Africa.
- Cousins B 2012. Land Redistribution Needs Political Will. Mail and Guardian. From <<http://mg.co.za/article/2012-06-28-land-redistribution-needs->> (Retrieved on 13 September 2012).
- Commission for Rural Land Reform 2007. *Annual Report 2006/07*. Pretoria: Commission on Restitution of Land Rights.
- Department of Land Affairs 2006. *Implementation Plan for the Proactive Land Acquisition Strategy-Version 1*. Pretoria: Department of Land Affairs.
- Department of Rural Development and Agricultural Reform 2009. *Strategic Plan 2010-2013*. Pretoria, South Africa: Government Printer.
- Dewar M 1998. *Why State and Local Economic Development Programmes Cause So Little Economic Development*. Ann Arbor: University of Michigan.
- Hall R 2004a. A political economy of land reform in South Africa. *Review of African Political Economy*, 100: 13-227.
- Hall R 2004b. *Land Redistribution for Agricultural Development (LRAD) Rapid Systematic Assessment Survey: Nine Case Studies in the Eastern Cape*. Unpublished Paper. Programme for Land and Agrarian Studies. South Africa: University of the Western Cape.
- Hall R, Isaacs M, Saruchera M 2007. Land and Agrarian Reform in Integrated Development Plans (IDPs). *Report Prepared for GTZ in Collaboration with the Department of Provincial and Local Government Programme for Land and Agrarian Studies*. School of Government. South Africa: University of the Western Cape.
- Human Sciences Research Council (HSRC) 2003. *Land Redistribution for Agricultural Development: Case Studies in Three Provinces*. Unpublished Report. Integrated Rural and Regional Development Division, Pretoria: HSRC.
- Kepe T, Cousins B 2002. Radical Land Reform is Key to Sustainable Rural Development in South Africa. Programme for Land and Agrarian Studies. *Policy Brief No.3*, Cape Town: University of the Western Cape.
- KwaZulu-Natal Planning and Development Commission 2010. *Land Usage Planning in Rural Areas*. Pietermaritzburg: South Africa.
- Lahiff E 2001. Land Reform in South Africa: Is it Meeting the Challenge? Programme for Land and Agrarian Studies. *Policy Brief No.1*, University of the Western Cape.
- Lahiff E 2007. 'Willing buyer, willing seller': South Africa's failed experiment in market led agrarian reform. *Third World Quarterly*, 28(8): 1577-1597.
- Lahiff E 2008. Land Reform in South Africa: A Status Report. Programme for Land and Agrarian Studies. *Research Report No.8*, Cape Town: University of the Western Cape.
- Lahiff E, Maluleke T, Manenzhe T, Wegerif W 2008. Land Redistribution and Poverty Reduction in South Africa: The Livelihood Impacts of Smallholder Agriculture Under Land Reform. Programme for Land and Agrarian Studies: *Research Report No. 36*, Cape Town: University of the Western Cape.
- Law, Race and Gender Research Unit 2010. Law, Customs and Rights. Information Newsletter, University of Cape Town. From <www.lgr.uct.ac.za> (Retrieved on 12 September 2012).
- Lyne MC, Darroch MAG 2003. Land Redistribution in South Africa: Past Performance and Future Policy. BASIS CRSP. *Research Paper*. Department of Agriculture. Pretoria: South Africa.
- Matlala M 2014. The 2011 Green Paper on land reform: Opportunities and challenges - The National African Farmers Union (NAFUSA). *Potchefstroom Electronic Law Journal*, 17(21): 833-866.
- Parker GD 2004. *The Challenge of Sustainable Land-Based Local Economic Development in Poor Communities of South Africa: The Case of Groblershoop, Northern Cape*. Master Thesis, Unpublished. Cape Town: University of the Western Cape.
- Ministry of Agriculture and Land Affairs (MALA) 2005. Land and Agrarian Reform in South Africa: An Overview in Preparation for the Land Summit, *Paper Presented by the Department of Land Affairs and Department of Agriculture* in Pretoria. South Africa, July 27 to 31, 2005.
- Mantashé G 2012. Slow Land Reform Betrays the Revolution. Mail and Guardian. From <<http://mg.co.za/article/2012-03-26-mantashé-slow-land-reform-betrays-the-revolution>> (Retrieved on 12 September 2012).
- Sisonke District Municipality Land Reform Programme 2012. Fast Tracking Land Reform in the Sisonke District Municipality (SDA). *Paper Presented at the Land Reform Summit* in Bulwer, KwaZulu-Natal, 8 September, 2012.
- South African Human Rights Commission (SAHRC) 2003. The Inquiry into Human Rights Violations in Farming Communities. *Final Report on August 2003*, Braamfontein: Johannesburg.