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Land reform and transition in South Africa

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Introduction
A significant failure in most analyses of the land reform process in South Africa to date has been the artificial separation of agricultural restructuring and land reform. The land reform programme has been treated as if it has a separate and coherent logic in and of itself. This division has been a characteristic both of policy in the post-apartheid era as well as critiques of the slow pace of land reform. However, land dispossession has played a central role historically, not only in structuring the agrarian order but also in shaping the political economy of the country as a whole. If land reform is not considered in conjunction with agricultural reorganisation, embedded in the broader process of political democratisation and economic restructuring, it becomes very difficult to make sense of the developments in the rural polity and economy since 1994. It is argued below that land reform remains marginal to the process of transformation in South Africa and that it is driven by the needs of commercial agricultural restructuring. Some of the possible reasons for this are spelled out below.

Land dispossession and the South African economy
The structure of the South African economy is inseparable from the land dispossession of the black majority in the country. Colonial conquest in the nineteenth century was sanctified in law with the passing of the 1913 and 1936 Land Acts. These and other related laws had two major impacts on the structure of South African agriculture. First, they ensured the elimination of agricultural competition from black farmers. White farmers were able to gain control over the land, and consolidate this control over time without fear of competition from black farmers. Second, the laws consolidated the system of migrant labour, forcing the black rural population to live in racially defined areas and migrate to white-owned farms, mines and industrial areas for employment. This created a dual agricultural structure,
with a protected white commercial sector and a neglected black 'subsistence' sector.

The reserves played a crucial role in regulating the flow of labour as required by the economy as a whole. They functioned to lower the social wage borne by capital by externalising some of the costs of the reproduction of labour (Wolpe 1972). In reality, the costs of reproducing labour were never fully covered by the reserve system. This undermined the grand segregationist plan because the flow of people from the reserves in the face of dire necessity could not be stemmed. With capital intensification in industry and 'white' agriculture, the role of the reserves changed to become dumping grounds for the black population surplus to the needs of capital accumulation (Yawitch 1982:44). In order to retain political control over these processes, there was a top-down restructuring of the traditional 'tribal' governance system, initially through the Native Administration Act in 1927 that imposed white control over the 'tribal' system (Letsoalo 1987:36-7). This system was adapted at regular intervals to perform the function of control over the reserve population as required by the white oligarchy. A system of private property ownership for whites on 87 per cent of the land was constructed at the same time as a distorted communal system was created in the reserves. The communal lands were under the ultimate ownership of the state, with administration and management carried out by white officials together with the tribal authorities. Over the years, but most systematically under apartheid, millions of people were forcibly removed from the places they were living and working to areas designated as their tribal homelands (see Platzky and Walker 1985, Unterhalter 1987). The result was tenure insecurity and ever-growing poverty for the African population, whether in the reserves or in the commercial farmlands.

The pattern of land ownership and control thus fundamentally structured both the spatial organisation and flow of labour in the economy as well as the social mechanisms of control over black workers and the population surplus to the needs of the capitalist economy. As such, the highly unequal access to land was, and remains, an integral component of the political economy of South Africa as a whole. Post-apartheid land reform is thus dependent on the extent and character of economic reconstruction.

'Regimes of accumulation' and transition

An analysis of contemporary agrarian reform in South Africa requires an historical understanding of the transition to democracy from the late 1980s.
According to the French Regulation School, the integration of the role of political and social relations in structuring the reproduction of the capitalist system has been termed a 'mode of regulation'. These are embedded in historically specific 'regimes of accumulation', which stabilises a specific mode of regulation with a particular pattern of production and consumption (Tickell and Peck 1992:192). The regime of accumulation acts to structure the capitalist tendency to over-accumulation and crisis for a particular period but doesn't resolve this tendency in the long run (Clarke 1988:67-68). Gelb (1991a) usefully characterised the apartheid regime of accumulation as one with a 'racial Fordist' mode of regulation. The regime was focused on extending industrialisation through the production of consumer goods mainly for the 'white' South African market. The mode of regulation was characterised by racial domination and racially privileged access to state services.

Despite periods of relative stability, each regime reaches a point where internal contradictions force the adoption of different methods for regulating the capitalist tendencies to over-accumulation and crisis. The new methods of regulation are the product of historical and social factors, of class struggle and the balance of class forces at a given time. That is, 'existing structures reflect and institutionalise...past conflicts between collective actors, between the classes as they are organised' (Noel, quoted in Gelb 1991a:9). A crisis in a specific mode of regulation should not be seen as a moment of fundamental disequilibrium in the economy, but rather as 'a crisis in the forms of capitalist domination' (Clarke 1988:69).

Some of the details of the fragmentation of the regulatory framework of the apartheid system from the 1970s and the various responses to this by the state, capital and oppressed groups, are indicated below. The agrarian economy is then situated within these dynamic developments and the relative strengths and weaknesses of the contending social forces are shown. On this basis, it can then be seen that the outcome of the transition reflected the balance of forces as they were found at the time of the negotiated settlement in the early 1990s. The framework for agricultural restructuring and land reform was derived from the balance of forces in the countryside in particular, but also reveals the trade-offs between the interests of the various classes in the rural areas and the broader dominant social, economic and political interests in the country as a whole.
Seeking a new growth path: structural limits in the apartheid economy and political democratisation

In the early 1970s, recession sparked by the global oil crisis exposed severe structural weaknesses in the South African economy. An over-reliance on imported machinery undermined the profitability in manufacturing, as did the limitations on the creation of skilled labour resulting from laws preventing black workers from occupying positions higher up the hierarchy. The narrow domestic market, caused by skewed production towards consumption items for the white population and the neglect of the black population, also reached limits and different approaches were required to extend markets both domestically and internationally. These weaknesses served to undermine the possibilities for continued accumulation in the economy as a whole, and also contributed to sparking the revival of mass resistance to apartheid. Faced with an ‘organic crisis’ (Gelb 1991a), the apartheid state began a process of partial reform and restructuring. This was initially conceived as a tightly managed process to ensure that the restructuring was not accompanied by uncontrollable social and political instability. The first phase of reforms from the early 1970s could be characterised as ‘neo-apartheid’. The state sought to develop a new accumulation strategy within the framework of the existing hegemonic political project, ie a racially exclusive democracy (Morris 1991:44). It also began a process of shifting from an import substitution strategy to a greater emphasis on exports and liberalising the financial sector (O’Meara 1996:178).

This first phase was carried out in a piecemeal way, and was flawed in that it didn’t recognise the fact that ‘the material basis of territorial segregation had been fundamentally eroded by structural changes in the socio-political terrain of the society’ (Morris 1991:47). The state had tried to respond to the gathering crisis in accumulation by instituting reforms on an economic level while using repression to contain political and social instability. Because the reforms left untouched the underlying structure of racial discrimination, they were unable to resolve some of the problems being experienced in the economy. At the same time, mass resistance grew in the newly opened spaces created by the partial reforms, intensifying the pressure on the economy as international investors became less willing to put money into the country (Wood 2000:152-59).

Influenced by the global resurgence in neo-liberal ideology, both internally- and externally-oriented capital had for some time been calling
for free market dominance in the spheres of production and reproduction, and were agreed that restructuring required the withdrawal of the state from these spheres, deregulation and privatisation (Morris 1991:51). In the second phase of reforms from the end of the 1970s, the state increasingly adopted these policies, and sought to accelerate the process of class differentiation within the black population to re-establish order and lay the groundwork for an economic revival (Morris 1991:51). By rapidly forming a black middle class, the state hoped to create a conservative buffer against the socio-economic demands of the majority. At the same time, the increased spending power of this class could serve to boost domestic demand in the economy. To be successful, the government’s reforms required new strategies both to generate accumulation and to restructure the political basis of hegemonic consent (Morris 1991:35). While the National Party was making some attempts to reorganise the strategy of accumulation, it was unable to maintain its political hegemony in the face of the crisis. It was forced to enter into negotiations on the transfer of political power with the African National Congress (ANC) to close the deal.

The ANC, and the popular movement as a whole, were also unable to articulate an independent, credible and coherent alternative hegemonic project based on a radical redistribution of economic and political power which could see them lead the contradictory range of social forces into the future (Morris 1991:50). The result was the compromises of the early 1990s, which severed the link between political democratisation and radical economic transformation. For the ANC, the core demand was one person, one vote in a unitary South Africa. The organisation was amenable to compromise on other issues. The leadership valued the realisation of political democracy partly because they anticipated their post-transition roles of power and status while their constituency valued it for the increased freedom it would provide them (Wood 2000:15). For important fractions of capital, political stability and the guarantee of private property rights and a market system were fundamental requirements. In short, the dominant fractions of capital were finally prepared to concede to majority rule if there was only limited economic redistribution, and if the political framework allowed for renewed accumulation (Wood 2000:201).

For a number of reasons, the ANC shifted from its more or less statist and social democratic outlook to embrace neo-liberalism when it came to power. First, the undermining of the ANC’s working class support base
through systematic violence in the late 1980s and early 1990s led to the delinking of the ANC leadership – both politically and organisationally – from its base. Whereas political violence claimed the lives of 5,500 people between 1984 and 1989, it left 13,500 people dead between 1990 and 1993 (Wood 2000:185). This violence played a role in disorganising the base of the liberation movement and preventing it from forcefully articulating its own demands or challenging the neo-liberal drift (Lehulere 1997:79-80).

Parallel to this state-led physical assault on the mass of the population was an ideological and intellectual assault on the leadership of the ANC. This exposed the range of ideological opinion within the Congress movement as a whole, and strengthened the liberal democratic strand within the movement (Habib et al 1998:104). The collapse of Stalinism was a severe setback for the Communist Party element of the Congress alliance. The intellectual retreat and ideological confusion caused by this, coupled with the faltering social democracy of the West, made it far easier for neo-liberal ideology to take hold as the only possible option. Historically, the ANC had as its fundamental goal the achievement of full political rights for the African population in South Africa. While various economic options, historically speaking, have been considered alongside this goal as potential methods for consolidating the realisation of these rights, the economic options have never been matters of principle. As long as the economic system would be compatible with full and equal political rights for the African population, they could be accepted or rejected based on what the alternative options were at any given point.

The ideological attack was carried out through a constant bombardment of key ANC leaders by consultants acting on behalf of big business who, throughout the early 1990s, developed various ‘scenarios’ for the future South Africa. It had the effect of narrowing the economic policy discourse through binding elites together and excluding dissidents (Bond 2000: chapter 2). At the core of the scenarios lay the precepts of macroeconomic stringency, limitations on social restructuring, an outward-oriented economy, and a facilitating (rather than regulating) state (Marais 1998:150). Since the class interests of the ANC leadership were not fundamentally at odds with the capitalist market system, they were susceptible to this consistent pressure. For decades the ANC leadership had explicitly stated that the primary goal of the liberation movement was to remove apartheid and establish genuine democracy, non-racial equality before the law and full citizenship rights for all South Africans (Murray 1994:117. See also
Callinicos 1992, McKinley 1997, Wood 2000). There was no necessary connection between the achievement of this goal and fundamental economic transformation. Indeed, given the power of capital, political stability of the liberal democratic sort envisaged here required compromise on economic structure in favour of capital (Wood 2000). President Thabo Mbeki confirmed this more recently, saying: ‘Had there been a merger of the national liberation and socialist goals in our country, with the ANC being both a national liberation movement and a party of socialist change, there would have been no historical need for a Communist Party, and no need for the existence today of our ally, the South African Communist Party’ (Office of the Presidency 2002). By 1996 the ANC government’s economic policy had acquired an overt class character, and was unabashedly geared to service the respective prerogatives of national and international capital and the aspirations of the emerging black bourgeoisie (Marais 1998:147).

The agricultural economy in the transition
Long-term structural changes in the white commercial agricultural sector delimited the possible responses to the gathering crisis. These structural changes were heavily driven by intense state intervention in both production and marketing, especially in the 1960s and 1970s. Apart from production and marketing support, a third pillar of state regulation under apartheid was the privileged access by white farmer associations to state institutions and policy-making (Bernstein and Amin 1995:5). The state’s interventions were not merely economically motivated, but also had a political dimension. The voluntary movement of whites off the land in the 1940s and 1950s was of concern to the state in maintaining the spatial divisions underpinning its apartheid policies and state intervention aimed to retain a white presence on the land (Cobbett 1987:72, Marcus 1989:25). In addition, white farmers were the backbone of support to the National Party government until the early to mid-1980s, and state support ensured their continued political backing (Webb 2000:171). Organised agriculture – the network of agricultural unions, co-operatives, marketing boards and the Land Bank which integrated the state, National Party and farmers’ organisations in directing the state’s land and agricultural policies – represented these farmers more than any other social group (Williams et al 1998:65). They occupied an increasingly powerful position in statutory structures so that the line between organised agriculture and the state was often blurred when it came to the agricultural sector.
Overcapitalisation and overproduction were the consequences of the particular development of the agricultural sector (Marcus 1989, Bayley 2000). By the late 1970s, it was reaching structural limits as increasingly adverse terms of trade, the steady build-up of debt, declining profitability and a rising interest rate stimulated by the broader macro-economic problems took their toll (De Klerk 1991). The result was a widening gap between a numerically small productive core and a numerically large unproductive periphery of white farmers (Weiner and Levin 1991). The former tended to be linked to agri-businesses, many of the more significant ones were corporations, and export producers occupied an important place. The latter tended to be individual farmers who owned the land themselves, and who relied heavily on state subsidies to survive.

The recession of the 1980s hit sections of the agricultural sector particularly hard, especially those characterised by large numbers of relatively inefficient, labour-intensive individual undertakings—like grain and livestock farmers (O’Meara 1996:177). There was also growing political pressure from some of the larger farming and industrial interests who were becoming critical of aspects of the control system (Bayley 2000:xiii). The government responded to the growing structural limits by gradually shifting towards a more free market approach. State support was increasingly provided on the basis of increased competitiveness, and a lower longer-term reliance on the state, and was thus designed to improve efficiency and viability in agriculture (Schirmer 2000:146). The limitations on state support impacted more harshly on the individually owned farms with heavy debt burdens. The major conglomerates in the South African economy had all developed substantial agribusiness interests in the decades from 1960 to the 1980s. This interpenetration of capital across sectors of the economy also took the form of vertical integration in agriculture, so the same companies carried out the manufacture of productive inputs, the production itself and the processing and marketing of produce (Bernstein and Amin 1995:5). The co-operatives were key players in this process (see Bernstein and Amin 1995, Williams et al 1998). Cape wine, deciduous fruit and wool farmers, and Natal sugar growers were generally less debt-ridden and less dependent on state subsidies and tightly controlled labour than the Transvaal and Free State maize farmers (O’Meara 1996:177).

Policies were increasingly oriented towards consolidating and supporting these productive branches of agriculture and agri-businesses associated with value-added activities, especially those for export (Bernstein and
Amin 1995:5-6, O’Meara 1996:309). This was in line with the general trend towards opening up the economy and shifting towards a greater emphasis on exports following the 1972 Reynders Commission. The Commission suggested a shift from import substitution to an export orientation, and that this new orientation should emphasise processed goods rather than primary products (O’Meara 1996:178).

The problem was that the maize farmers’ representatives in particular occupied an institutional space that had established them as an ‘agrarian-industrial upper class or nomenklatura’, and they retained significant control over the processes of change through their overwhelming influence in statutory decision-making bodies (Williams et al 1998:65, Bayley 2000:35). This made it difficult for the state to act against the interests of this fraction of agricultural capital. As it attempted to carry out its reform programme, the NP was also losing the support of white commercial farmers to the Conservative Party on its right.

Meanwhile, the Department of Agriculture and its patronage network of white farmers and agri-businesses were increasingly hostage to broader economic changes that forced it into a more rapid process of restructuring. With financial liberalisation in the early to mid-1970s, the Rand depreciated and input prices in agriculture rose faster than product prices (Bayley 2000:39). This had two knock-on effects. First, the Land Bank was no longer able to access funds at preferential rates and thus was unable to subsidise interest rates on loans to farmers (Bayley 2000:39-40). Second, there was increased pressure on the government’s budget, and as a result subsidies to the control board system were under pressure to be withdrawn (Bayley 2000:xiii). On a global level, South Africa was party to the Uruguay Round of GATT negotiations, where pressure was exerted on member countries to remove subsidies and restructure and reduce import controls (Kirsten and Van Zyl 1996:214).

These pressures resulted in partial deregulation, a shift to market-based pricing schemes and the removal of some subsidies (World Bank 1993:9-10). Budgetary allocations supporting white farmers declined by about 50 per cent from 1987 (Kirsten and Van Zyl 1996:210) although for some time there were other, non-budgetary, sources of financial support (World Bank 1994:17). A good example of this was the R2.85 billion payout to white farmers in 1992 that constituted a ‘substantial recapitalization of the least efficient sub-sectors of the agricultural sector’ and ensured that many inefficient farmers remained on the land (Kirsten and Van Zyl 1996:231).
In the early 1990s, the government moved further on removing subsidies and liberalising markets.

Policy in South Africa in the post-apartheid period did not represent a fundamental break from what came before. In fact, to carry the reform programme started under apartheid to its logical conclusion required political stability that was only possible through drawing the ANC – as the chief legitimate representative of the mass of the population – into a political settlement. In agriculture, as with the broader economy, the ANC leadership was exposed to sustained argument in favour of neo-liberal policy and for the necessity of carrying through the economic reforms initiated under apartheid. Apart from internal pressures pushing government towards deregulation and liberalisation, in the early 1990s the World Bank released two influential documents on rural restructuring. The Bank argued that a guiding principle for rural restructuring should be political and economic liberalisation (1993:7). By 1994, the market was dominant in the ANC’s thinking, and the ANC argued that government intervention would be directed ‘at correcting market failure and enhancing market efficiency’ (ANC 1994:16).

The failure to develop an alternative rural policy partially indicated the inability of the mass movement to impose its own demands on the ANC leadership. There was remarkably little progressive opposition to the neo-liberal and capital-led direction of agricultural restructuring or to the marginalisation of land reform in the process of rural reorganisation. This was partly indicative of the non-existent space for democratic participation in policy debates and perhaps even of the expectation of a transition that would have transcended ‘policy formulation’ as it came to be established. It was also partly the result of limited capacity within the mass democratic movement to engage in detailed analysis of the agricultural economy.

This is related to the social structure within the rural areas. A dual structure of control characterised the rural areas of South Africa and to a large extent continues to do so. While different factions of agricultural capital had different economic requirements, for most of the pre-apartheid and apartheid periods they had similar social and political requirements – political stability and control over labour. In the formerly ‘whites-only’ parts of the country (the commercial farmlands), a social bloc comprising farmers, police and magistrates protected white interests. The National Party’s apartheid policies required a continuous presence of whites in the commercial farming areas to displace Africans and guard against their
settlement in these areas. Commandos – groups of (white) citizen reservists militarily organised under the umbrella of the national defence force – played an important role in maintaining the apartheid order in the countryside. The black population living in these areas numbered up to seven million people. But since they lived on the white owned farms, and access to water, housing and other necessities were dependent on their relationship to the landowner, it was highly risky to engage in any serious or sustained resistance against the apartheid order. This social oppression was compounded by the specific difficulties of organising in rural areas such as limited communications, lack of funds, and a scattered and dispersed population (Levin and Weiner 1996:100).

In the communal areas, the traditional authorities played a significant role in maintaining a conservative ethos and clamping down on social discontent. The apartheid government used the traditional authority structure to engage in indirect rule. In some places the chieftancy had the support of most of the local population, perhaps as the lesser of two evils in many cases. This was often because the traditional authority was the only conduit for services and other benefits such as land access, renewal of migrant work contracts and pensions (Ntsebeza 2000:290). On the other hand, there were occasions of serious resistance to the traditional authority structure, for example in Sekhukhuneland in the mid-1980s (see Delius 1996). Mass resistance to forced incorporation into the bantustans in the 1980s was also often in direct opposition to the chieftancy. But the ANC was not opposed to the traditional authorities in principle and was willing to accommodate them, especially as it sought to expand its support base to broader sections of the population in the 1980s. This is most evident in their alliance with the Congress of Traditional Leaders of South Africa (Contralesa) from the late 1980s onwards. By this time, it was becoming evident that the ANC would be in a powerful position in the near future, and many traditional authorities jumped onto the Contralesa bandwagon in the dying days of apartheid (Ntsebeza 2000:291).

In the first decades of the twentieth century, an African landowning class existed, and in some cases created alliances with the traditional authorities to take advantage of opportunities for influence and access to resources (Hart 2002:85-89). The location of traditional authorities in structures of government, especially after the 1927 Native Administration Act and the 1951 Bantu Authorities Act, situated traditional authorities in middle class positions. The acceleration of the formation of a black middle
class, especially in the bantustans where access to state employment and the associated privileges contributed greatly to the rapid expansion of this group, also acted as a constraint to higher levels of co-ordinated resistance. It served to split the population to some extent between those who now had a greater material interest in the bantustan system and those who did not. Many former bantustan state aparatchiks remain in positions of power in the post-apartheid order – the most prominent examples being Minister of Public Works, Stella Sigcau, and Ndaweni Mahlangu, Premier of Mpumalanga province.

Of more consequence for the lives of the majority of the rural population are the number of local councillors and local level officials who have made the transition from the bantustan elite to the post-apartheid elite. Transitional local government arrangements gave traditional authorities representation (although no voting powers if not elected) in rural councils, and gave them power over the so-called ‘remaining areas’. In the lead-up to the 2000 local government elections, the ANC in government amended the Municipal Structures Act to increase the percentage representation of traditional authorities in rural local councils from ten per cent to 20 per cent of total seats and even extended representation to metropolitan councils in KwaZulu-Natal. These concessions may partly be a result of the links between the ANC leadership and elements of this middle class. But it also indicates the weakness of viable alternative candidates in many of the rural areas and the tight control that the rural elite continues to exert over the populations of these areas. In both the commercial farming areas and the communal areas then, the mass of the rural population was faced with a very powerful control structure that limited their ability to engage more systematically in co-ordinated anti-apartheid activity. The result has been the lack of a radical programme for transformation in the rural areas.

Associated with this was the urban focus of the liberation movement in South Africa (see Levin and Weiner 1996). While the Congress movement had mass political support in the rural areas, this was never converted into an articulated economic programme of transformation in the rural areas. The major force driving the progressive movement in the 1980s was the trade union movement that had limited organisation in the rural areas as did the United Democratic Front (UDF). There were links but these were thin and undeveloped. Rural resistance tended to remain uncoordinated with the campaigns and programmes of the mass urban movements (Seekings 2000).
The ANC had two main goals with regard to agriculture: to retain the core of productive white farmers, and to build and extend the black commercial farming class. It was prepared to accommodate these demands within the framework of a market-driven economy. In order to meet these goals, political and social stability in the rural areas was placed high on the agenda. The fear that a radical programme of land redistribution could lead to instability that might disrupt agricultural production and negatively affect food prices, with the likely ripple effect of social instability in the urban areas, was one motivation (Bernstein 1996a:36). Connected to this, the important forward linkages between agriculture and the broader economy also made the ANC wary of tampering too much with the inherited structure. In the light of this unwillingness to interfere with the status quo in agriculture, the interpretation of the balance of forces - that the white farming bloc was too powerful to be taken on directly - was given added weight.

On coming to power, the ANC was able to sever the connection between the vested interests in agriculture and the state that was required to push the agricultural reforms through. Ultimately, the ANC followed a path of complete liberalisation and deregulation in agriculture (Schirmer 2000:148). The Growth, Employment and Redistribution (Gear) macroeconomic strategy, released in 1996, saw the state’s role as facilitative – setting up preferential trade agreements, assisting in opening new markets for exports and removing constraints to an outward orientation (Mather and Adelzadeh 1997:6). Gear had two effects on the agricultural sector. It contributed to a decline in the agricultural budget in real terms, and it emphasised and consolidated an outward-oriented and competitive approach (Bayley 2000:42-43). Trade policy was reformed to reverse the decades of ‘inward industrialisation’ strategies, and to shift the economy onto an export oriented path. South Africa’s membership of the Cairns Group and its decision to reduce tariffs at a rate faster than required in the Uruguay Round confirmed the direction the new government was taking (Kirsten and Vink 1999:30).

The dismantling of the old regulatory structures did not mean their replacement by unregulated, freely competitive markets. New marketing arrangements emerged on the basis of the footprint left by the old institutions and agricultural structure; they take their shape on the basis of ongoing interactions between policy makers and agricultural interests (Williams et al 1998:79). State deregulation allowed "producers, manufacturers and
traders...to defend or even enhance the dominant positions which the whole range of statutory privileges enabled them to establish' (Williams et al 1998:89). However, not all sectors of agriculture experienced the transition positively. The reduction of tariffs left many producers exposed to international competition from counterparts in other countries that received high levels of government subsidy, and enabled the latter to export at below cost. The wheat, dairy and poultry sectors in particular felt the full force of this 'unfair' competition. Price volatility is a characteristic of global agricultural markets because the markets for most products are based on domestic surpluses. If dominant producers do not produce a surplus in a given year, prices rise rapidly because the 'global market' is under-supplied. On the other hand, if there is a surplus of wheat production in the US or Argentina for example, or of oranges in Brazil, the world markets for these products plummet. It has been difficult for local producers to plan long term investments and plantings in this climate.

Three major outcomes of the transition for the agrarian economy can be identified. First, there is a consolidation of the power of export-oriented agribusiness, and a significant reduction in the political power of the agricultural nomenklatura organised through what was the South African Agricultural Union (SAAU) with its base amongst the maize farmers. That is, there has been a shift in power relations between fractions of capital within the agricultural economy. The food processing industry, dominated by agribusinesses and the newly privatised co-ops, has gained from the changes in the agricultural sector. Recent data confirms that it is precisely the more productive and less indebted sectors of agriculture that have benefited most from liberalisation and deregulation. Vink et al (2002) show that processed food exports have shown strong growth in the post-apartheid period with horticulture and sugar the strongest agricultural export sectors. Van Rooyen and Esterhuizen (2001) show that the citrus, deciduous, sugar and wool sectors have been able to become more competitive, as has the processing of maize and fruit, while the primary production of maize is becoming less competitive.

Second, tight limitations were placed on the redistribution of productive resources during the negotiated transition, both in the agrarian economy as well as more broadly. This was an indication of the trade-off in the transition between political democratisation and economic continuity. Third, land reform was structured into a bureaucratic legalistic framework that drew it away from the independent activity of the mass of the
population. This reflects its marginalisation, its relative insignificance, in the programmes both of the agrarian elites and of the liberation movement under the leadership of the ANC. It also indicates the primary role of the land reform programme in channelling political tension in the rural areas onto a legalistic path, and in containing political instability. It is to this third element that we now turn.

The place of land redistribution in the transition

Land reform has remained marginal during the transition to democracy in South Africa. Reform in the rural areas has mainly been limited to a restructuring of the commercial agricultural sector. Land reform has been side tracked, and there has been no significant attempt to reorganise the rural economy on the basis of a more egalitarian ownership structure. No attempt has been made to encourage rural populations to articulate their demand for land. On the contrary, any articulation of demand has been channelled into a tightly managed, bureaucratic and legalistic framework. This has placed control of the reform process in the hands of lawyers and government officials. Any mass based activity around land outside of the legal framework has been criminalised and suppressed. Official policy considers land reform from the perspective of its potential benefit or harm to the neo-liberal macro-economic project rather than from the point of view of justice or need. Within this framework, the main aims of land reform are to maintain stability in rural areas, contain any political destabilisation, and consolidate the land market. According to the Strategic Plan for South African Agriculture (of which more is said below), ‘it is important to deal efficiently with land reform to ensure rural stability and market certainty’ (NDA 2001a:16).

The ANC’s land reform policy was constructed around the World Bank’s 1993 prescriptions of a willing-buyer willing-seller approach coupled with a limited state grant, the protection of private property, and compensation based on market value for any expropriated land (Department of Land Affairs 1997:39). The Bank had suggested a 30 per cent transfer of agricultural land within the first five years of democracy. Although the post-apartheid land reform programme adopted this goal (ANC 1994b), it came nowhere near to meeting this target. The protection of private property and the market approach to land reform provide another indication of the goal of stabilising the rural economy while restructuring the agricultural sector.
The goal of consolidating the land market is apparent from the current formulation of policies regarding communal tenure that open the door to the placing of communal land on the market. This is dealt with in more detail below. Consolidation is also apparent from the post-apartheid government’s extremely cautious response to dealing with the massive accumulation of agricultural debt by white commercial farmers, with an approach that seeks to maintain the integrity of the land market rather than using excessive indebtedness as the basis for a redistribution of land. If one accepts that agricultural restructuring in South Africa has aimed to restore profitability to the sector, it becomes easier to locate land reform in this process. In the specific circumstances of South African capitalism, land holdings and economic power have been consolidated rather than the subdivision of land or decentralisation of power.

Commercial agriculture, organisationally restructured into AgriSA, continues to exert significant influence over the policies of the post-apartheid government. Land transfer and support to black farmers is occurring on the terms of sections of the white commercial farming sector. These sections have a common interest with the post-apartheid government’s in creating the conditions for increasing profitability amongst a productive core in agriculture, while deracialising commercial agriculture as rapidly as possible in this context. In this framework, black farmers are to become commercial and integrated into existing networks of production and distribution. The influence of commercial agriculture is evident in particular in the role they have played in designing the government’s Land Redistribution for Agricultural Development (LRAD) programme, as well as government’s adoption of the Strategic Plan for South African Agriculture in 2001. The latter was drawn up by commercial agriculture (jointly by AgriSA and the National African Farmers’ Union – the black commercial farmers’ organisation) on government’s request. Thabo Mbeki praised the plan as being ‘a product of an agriculture Codesa, which did not take very long. This shows a new patriotism among us as South Africans’ (Business Day, November 28, 2001). The speed and ‘patriotism’ may reflect the fact that no trade unions, workers’ representatives or non-farming rural organisations were part of the core team that drew up of the document. It purely represents the interests of commercial farmers, and indicates the extent to which commercial agriculture has managed to reclaim policymaking influence in post-apartheid South Africa.

From a purely economic point of view, land reform is of limited
importance for the neo-liberal path the country has adopted. It is quite possible to reorganise the agricultural sector without any land reform at all. However, there remains a residue of political significance attached to land reform. Amongst the mass of the population, land reform is a legitimate and necessary process and is widely supported, mainly for reasons of justice and redress. This has partially been met by the focus on restitution — that is, the return of land from which people were forcibly removed under apartheid and colonialism after 1913. However, even white farmers are recognising the need to transfer some land to the black population and to see the establishment of a black commercial farming class. The current situation in Zimbabwe has woken many white farmers to the threat that the continued lack of redistribution may pose to their own livelihoods in the future. In the words of an export farmer in the Eastern Cape: ‘Look, if we’re going to have a future in this country, we must have black farmers. And if we have black farmers, they must be successful commercial black farmers’.

This intervention is driving the land reform proposals of organised agriculture. It seeks a land reform programme that can be carried out in such a way that export oriented agriculture is not negatively affected by it while it simultaneously serves the purpose of political stability by transferring enough land into the hands of a black elite. The apartheid regime attempted to create an elite of this sort but was unable to accept the necessary political democratisation needed for it to be legitimate in the eyes of the majority of the population. The post-apartheid order has made that possible.

In her foreword to the Strategic Plan for Agriculture, the Minister of Land and Agriculture, Thoko Didiza, states that ‘government and industry now share a common perspective on the sector’s strategic issues’. These issues are ‘black economic empowerment and enhancing the profitability of agricultural industries at the same time’ (NDA 2001a:3). One of the core strategies is to ‘deracialise land and enterprise ownership; and to unlock the full entrepreneurial potential in the sector’ (2001a:15-16). This clearly indicates the desire to absorb black entrants into the agricultural sector on the basis of their ability to compete in the market. While this should be an element of any land reform programme, it has become the end-goal of the programme in South Africa, driven by commercial agriculture.

The Strategic Plan states that LRAD ‘strengthens the philosophy of market-assisted land redistribution of the earlier land reform programme’ (NDA 2001a:16). LRAD — the latest land redistribution programme — is
designed to support the growth of a black commercial farming class. While there are elements of support to subsistence farmers and non-market farmers, the bulk of the resources are likely to flow to "emerging" farmers who have some resources to match government funds to enter into high-level commercial agriculture. The programme targets agricultural technicians and extension officers from the former bantustans as a potential base of commercial farmers. It explicitly states that "a number of people presently employed by the agricultural extension service can be expected over time voluntarily to leave the public service to acquire land under the land reform programme" (Ministry for Agriculture and Land Affairs 2001:10).

This kills two birds with one stone. It builds on a base of potential black commercial farmers, and it resolves the problem of retrenching large numbers of extension workers in the bantustans that are seen to be surplus in post-apartheid South Africa. The most notable aspect of the programme is its replacement of an income ceiling to be eligible for a government grant with an effective income floor. In the past, only households with less than R1500 per month income were eligible for the grant. This meant that the poorest households were the beneficiaries of the grant system. The new programme requires a minimum of R5000 payment per household (or individual beneficiary) in order to be eligible for a grant. There are ongoing debates about what form that R5000 contribution can be in - a poor household may be allowed to make their contribution in kind, by working on the land for example. Nevertheless, the shift is indicative of a new focus by the Department of Land Affairs on providing support to farmers with their own resources and the capacity to enter the market. This will mainly be at the expense of the landless or resource-poor.

Privatisation of state land is one of the fundamental features of the land reform programme with state land being first to be transferred to land reform beneficiaries. This not only opens up more areas for potential private investment in the future but also allows for the redistribution of some land without white landowners having to give up any of the land under their control unless they choose. Given the willing-buyer willing-seller approach, how and when white landowners choose to sell the land under their control is left entirely up to them. Leaving land redistribution to the market means ceding control of land reform to those who currently own the land. Land redistribution is subordinated to the imperatives of agricultural production for the market.
Communal tenure reform: all power to the chiefs?

Two major trends in legislation regarding the communal areas should be noted. The first is the increasing willingness of government to hand some, or all, control of communal land to traditional authorities. Communal land was legally the responsibility of the minister of the apartheid government responsible for land. In the lead-up to the 1994 elections, communal land in a number of areas around the country was transferred directly into the control of the traditional authorities. In KwaZulu-Natal, the Ingonyama Trust was set up and signed into law less than a month before the first democratic elections in 1994. It saw the transfer of 30 per cent (1.2 million hectares) of all land in the province – 95 per cent of the former KwaZulu homeland – to the control of the king. It was a secret agreement between the ANC, the Inkatha Freedom Party (IFP) and the National Party and is widely viewed as having being a trade-off for the participation of the IFP in the 1994 elections (Wood 2000:188). Other reports indicate that elsewhere around the country, communal land was transferred to traditional authorities in last minute deals between the central state and bantustan leaders (Mail & Guardian, November 23-29, 2001).

The South African constitution calls for the enactment of laws to provide secure tenure or comparable redress to anyone who has had insecure tenure as a result of racial discrimination (clauses 25 (6) and (9) of the Bill of Rights). Yet more than seven years since the first democratic elections, a law on communal tenure has yet to be finalised. At present, there are only interim laws maintaining the status quo. The Communal Land Rights Bill was gazetted in August 2002. It rhetorically promotes the involvement of the entire community in deciding on land use. Nevertheless, there is a definite trend towards accepting the primary role of traditional authorities in land use and administration decisions. In many parts of the communal areas, traditional authorities continue to dominate. It is certainly a step forward to have legislation that permits the rural populace that does not form part of the elite to participate as equals in land use and administration decisions. But the practice on the ground is likely to favour the chieftaincy, especially in those areas where democratic organisation is weak and where the traditional authority rules with a heavy hand. Support for the draft Bill from Contralesa, the IFP and King Goodwill Zwelithini, chairperson of the Ingonyama Trust, indicate that the Bill favours the consolidation of the power of traditional authorities over the land (Mail & Guardian, November 30 – December 6, 2001).
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The gazetted Bill has drawn back from the overt transfer of communal land to ‘traditional communities’ after strong opposition from land rights groups. However, concerns have been raised that the inordinate emphasis on individual titling in communal areas still leaves the way open for land grabs by elites (Cousins 2002). Earlier it was shown how the social structure in the communal areas made it difficult for rural populations to engage in sustained levels of anti-apartheid activity. Since this structure has been carried over into the post-apartheid order, and in some instances even given a new lease on life, it remains difficult for the rural population in the communal areas to articulate and organise around their own needs. This is especially so when these needs are in conflict with the interests of the elites.

According to Mamdani, two main varieties of control in post-independence states were common in the rest of Africa. Conservative states would tend to reproduce the decentralised despotism based on indirect rule through the traditional authorities. Radical states would try to reform that rule. But the outcome generally tended merely to be a centralised rather than a decentralised despotism. There is continuity in the form of power exercised under the colonial state and the post-colonial state. The bifurcated state is thus deracialised but not democratised. The post-colonial state tended to soften one of the two prongs of the divisions enforced by the colonial state—those between ethnicities and between town and countryside. In other words, Mamdani argues, the post-colonial state either breaks down rural ethnic division at the expense of entrenching urban-rural divisions, or vice versa. The radical states tended to detribalise but to tighten central control over local authorities. This inflames the division between town and countryside by intensifying extra-economic pressure on the peasantry (Mamdani 1996:25-26).

The ANC has attempted to democratise the rural areas by implanting wall-to-wall elected local government across the country. There is an entrenching of the urban-rural divide through the creation of metros, because they retain resources in the cities without having to cater for a rural periphery. But the rural-urban divide has partly been broken down by the incorporation of rural hinterlands into local government structures for smaller urban areas and towns. There is also a process of fusing customary law with the ‘modern’ legal system of the non-communal areas (i.e. the main area of the country under freehold). The aim of this is to integrate the customary legal system into the formal Western system by giving citizens
the right to appeal decisions made under the customary system in the magistrate’s courts if they do not agree with them. These changes also establish some uniformity in customary law, thus breaking down the divisions between ethnic groups entrenched under apartheid. So, from this perspective, the ANC may have attempted to go beyond a mere reform of the bifurcated state and decentralised despotism. However, the ability during the negotiations of the traditional authorities to ensure that their powers were recognised (although undefined) in the Constitution, has left unresolved key questions of authority and legal power in the communal areas. This ongoing uncertainty has created a gap for traditional authorities to water down democracy at local government level. The recognition of traditional authorities in the Constitution reflects the balance of social and political forces as they were found in the period leading up to the negotiations as well as during the negotiations in the early 1990s. This was partly a reflection of the power of the traditional authorities on the ground, partly the result of short-term tactical alliances during the negotiations (for example with the white right wing in the Concerned South Africans Group and partly the ANC’s ambivalent relationship to the traditional authorities.

This brief detour into the structure of local government and the forms of control in the post-apartheid order serves to indicate that tenure reform in the communal areas is located within a broader process of transition. Reform of land ownership and administration in the communal areas was not a primary goal in the transition. Rather, control over communal land has been used as a political bargaining chip both prior to and after the democratic elections. It has been used to consolidate political stability and ensure elite buy-in to the process of transition, rather than being restructured to serve a project of radical redistribution of power and resources in the rural areas. The lack of resolution partly indicates that a residual spirit of the mass struggles of the 1980s remains, making it difficult to push through a programme entirely in favour of the elite without regard for the interests of the mass of the population. If a transformed legal framework indicates the balance of social forces at the time of its construction, then the incomplete and contradictory legal framework of the communal areas may indicate a balance of forces where no single power is entirely hegemonic. Conflict between the elected local councillors and traditional authorities suggest an inability of either fully to stamp its authority on the local systems of government. This is not helped by the central state’s withdrawal from local delivery, leaving this up to local government without providing
adequate resources for the task. As a result, there is growing dissatisfaction with the role played by local government, evident in the growing struggles around municipal services in urban and rural areas alike.

A second trend regarding communal land reform is an opening of the space that is being created to draw communal areas into the land market. An attempt to fragment communal land ownership in favour of individual freehold was one of the key objectives of the apartheid government's 1991 White Paper on Land Reform (Ntsebeza 2000:291). The 1991 Upgrading of Land Tenure Rights Act flowing from the White Paper remains on the statute books and is one of the laws being used to pilot transfer of communal land to communities. This Act created the conditions for upgrading the Permission To Occupy (PTO) certificate to full freehold title. This is implicit in the Communal Land Rights Bill with its focus on individual titling. The likely effects of this are the concentration of land in the hands of the wealthier and more socially connected members of the community to the detriment of the marginalised, less resourced and lower status members. Communal land is thus drawn into the land market, it provides land for black commercial farmers without destroying apartheid settlement patterns, and it eases the pressure on the need to transfer land in the formerly 'whites-only' commercial farming areas.

Conclusion

From the above, it is evident that land reform in South Africa has been captured by elite interests. In the communal areas, there is an imminent danger that the elites represented by the traditional authorities will gain power over the mass of the population in these areas. The resolution of the political contest around the distribution of power may see communal tenure reform being used as a chip within a wider political game. There is also a growing tendency to drawing the communal lands into the market. This may have profoundly negative effects on those who occupy the lowest rungs of the social order, and who rely most heavily on communal land for their livelihoods. In the white commercial farming areas, redistribution has been channelled into serving the purpose of consolidating entrepreneurship and the commercial farming sector at the expense of informal and non-market producers or, indeed, at the expense of justice. This has the primary objective of releasing some of the political pressure that has been building around land reform, thus serving to retain political and social stability in the rural areas. This is designed to occur at a slow and orderly pace that does not disrupt the ability to accumulate profit.
However, despite attempts to bring the economy onto a new growth path, neo-liberalism has only unevenly been able to restore profitability to sections of the agricultural sector and it remains to be seen whether even these sectors will remain profitable on a sustainable basis. On the whole, agriculture became more risky in the 1990s as the result of the withdrawal of state support and market liberalisation. Terms of trade have continued to decline and so has investment in agriculture (Department of Agriculture 2001). Land redistribution has ground to a halt in the face of this failure. It is now being restructured in a way that mainly will benefit a small core of well-resourced individuals at the expense of the majority of the dispossessed population. This suggests a period of ongoing turmoil as growing inequality, continuing limitation of access to resources for the majority of the population, and stuttering and uneven growth, begin to erode the gains of political democratisation in South Africa.

Notes
1. A version of this article was presented to the Ford Foundation Environment & Development Affinity Group in Cape Town in January 2002. The author has benefited greatly from ongoing discussions with Andile Mngxitama, Eddie Cottle, Oupa Lehulere, Samantha Hargricaves, Victor Thoko and Ann Eveleth, although none of them can be held responsible for the weaknesses in the formulations presented here.


3. The PTO certificate was granted by the traditional authority, together with various departments of the bantustan government, to enable a member of the community to access land for residential or production purposes. It remains the only basis for land allocation and administration in many communal areas even though, from a legal point of view, the bantustan system has long since been dismantled (see Atkinson et al 1998).

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