

# RESEARCH Report 32

## The Impact of Land Restitution and Land Reform on Livelihoods

*Ruth Hall*



Belgische Technische Coöperatie nv  
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## The Impact of Land Restitution and Land Reform on Livelihoods

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# Acronyms

ARDC	Agriculture Rural Development Corporation
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASE	Community Agency for Social Enquiry
CASP	Comprehensive Agricultural Support Programme
COMBUD	Commercial Farming Budget Manual
CPA	Communal Property Association
DLA	Department of Land Affairs
DWAF	Department of Water Affairs and Forestry
EPWP	Extended Public Works Programme
IDP	Integrated Development Plan
LRAD	Land Redistribution for Agricultural Development
MOU	Memorandum of Understanding
NGO	Non-governmental Organisation
QOL	Quality of Life
RLCC	Regional Land Claims Commission
SLAG	Settlement/Land Acquisition Grant
UADP	Umnotho Agricultural Development Project
UNDP	United Nations Development Programme

# 1. Introduction

This thematic paper investigates emerging trends evident in the limited literature available on the impact of land restitution on livelihoods, and suggests ways of thinking about, and planning for, livelihoods.

The paper has a two-fold emphasis: its primary focus is on rural restitution claims where land has been restored, but it also addresses rural land reform more generally. Where land ownership has been transferred to land reform beneficiaries, similar patterns and challenges may arise, regardless of whether the land was acquired through the redistribution or the restitution route.

The analysis is based on a synthesis of available quantitative and qualitative sources, including a relatively small but growing body of qualitative case studies. These include six rural restitution claims which were studied as part of the Sustainable Development Consortium's Post-settlement Support Project. These case studies are: Bjatladi (Limpopo), Klipgat (North West), Dwesa-Cwebe (Eastern Cape), Covie (Western Cape), eMpangisweni (KwaZulu-Natal), and Groenfontein (Mpumalanga). It explores the kinds of land use people are engaging in and how these affect their livelihood opportunities. All of these projects are still at an

early stage of development, and the ultimate impacts on the livelihoods of beneficiaries will take time to become clear. The focus of this paper, therefore, is on the design and set-up of projects, the kinds of livelihood opportunities envisaged in business plans, how these are supported financially and institutionally, and the dynamics that ensue. On this basis, the paper draws lessons about how post-settlement support impacts on the livelihood potential of land reform projects and recommends ways in which such support can be optimised for maximum livelihood benefits.



Photo: Marc Wegerif

## 2. Background

It is widely acknowledged that policies that facilitate access to land can reduce poverty and income inequality. Internationally, studies have demonstrated that the impact of land redistribution on incomes, quality of life and livelihoods may take some years to become apparent. This is evident, for example, from the longitudinal panel study conducted by Kinsey in Zimbabwe, from the early 1980s to the late 1990s (Kinsey 2000, 2005). In addition, the international literature shows that a positive impact on livelihoods is not guaranteed, but contingent on the manner of implementation, both prior to and following the transfer of land rights:

*The key lesson that can be drawn from [a] range of country studies is that, irrespective of the political or historical milieu, the transfer of land alone is not sufficient and requires buttressing by settlement support provision from a range of institutions and sectors. In the absence of ongoing support and capacity building, new land owners will run the risk of being set up to fail. For development activities on acquired land to be sustainable and to impact positively on the lives of beneficiaries, requires a comprehensive, responsive and on-going interaction between those requiring and determining the support they require and those who provide such support (PLAAS 2006: 41).*

In the 1990s, the World Bank famously demonstrated a correlation between more equal distributions of land (a Gini co-efficient for land distribution) and average economic growth over time (Binswanger et al. 1995; Deininger 2006). This has been used as a basis on which to assert a causal

relation between land reform and economic growth. However, while such arguments may be well received, and while they may make sense intuitively, there is in fact very little empirical basis on which to conclude that land reform improves the livelihoods of those who are its 'beneficiaries'. This is particularly true of South Africa, where credible studies of livelihood impacts have been almost non-existent.

Not only do we not know whether land reform in South Africa is improving the livelihoods of those who have benefited directly from land transfers, we also do not know what the impact of land redistribution has been on other affected groups such as former farm workers who have been displaced by land reform or incorporated within projects. No data is available on related issues, such as whether beneficiaries remit additional income to family members or others, whether beneficiaries are able to accumulate assets and savings, and whether an increase in assets and savings in turn allows investment in non-farm enterprises, which thus create employment for others.

The implications for livelihoods of maintaining or changing land use are contextual. The case studies in this report demonstrate that dramatic and sometimes unplanned changes in production, including the collapse of production, sometimes ensue – leading to minimal benefits for beneficiaries. However, maintaining existing production systems intact does not ensure benefits for participants either, as is evident in some of the joint venture projects.

### 3. Existing literature on livelihood impacts

The central problem in assessing the impact of land reform on livelihoods is the paucity of post-settlement evaluation studies. Simply put, there is a lack of data. Even where there have been studies, impact evaluation is hampered by the absence of baseline data on the socio-economic status of beneficiaries entering the programme, a lack of agreed indicators, and the lack of longitudinal panel data.

The sustainable livelihoods literature draws attention to the concern that livelihoods not only improve as a result of policy interventions, but that they improve in a sustainable manner. The concern with sustainability thus requires that the improved outcomes endure, or improve further, over time. The well-known 'livelihoods pentagon' depicts the dimensions of livelihoods and the interdependent relationship between five dimensions of livelihood assets, or 'capitals':

- human capital (education and skills)
- social capital (relationships and networks)
- natural capital (land and water)
- financial capital (money and loans)
- physical capital (infrastructure and assets).<sup>1</sup>

Within the South African context, there is little agreement on core indicators of 'success' in land reform projects. Most attention to date has been on the number of hectares transferred, and the number of beneficiaries. Little or no attention is paid to the livelihood benefits generated, in either qualitative or quantitative terms. So, when assessing specific projects or conducting national surveys on the livelihoods of land reform beneficiaries, what are we looking for?

The South African literature on land reform suggests that outcomes, or indicators, of sustainable livelihoods should include the following:<sup>2</sup>

- More income (from marketed produce, wage employment), increased regularity of income, and more egalitarian distribution of income.
- Increased well-being: Improved access to clean drinking water and to sanitation, improved housing, ownership of household items, and access to fuel for cooking.

- Reduced vulnerability: Improved access to social infrastructure like schools and clinics, increased mobility.
- Improved food security (from self-provisioning and increased disposable cash income) resulting in improved nutritional status.
- More sustainable use of the natural resource base.

The sustainable livelihoods framework is widely used internationally in academia but also as a planning and evaluation tool by governments, non-governmental organisations (NGOs), consultants and donors. It constitutes a relevant basis for developing indicators of livelihood impacts – something which is now urgently needed for the land reform programme.

Although it does not inform any official set of indicators, the notion of multi-dimensional livelihoods is prominent among analysts of land reform in South Africa, who have drawn attention to diversified livelihood strategies. The rest of this section reviews some of the key sources of data on livelihood impacts in land reform in South Africa. It highlights the dominant attention in policy paid to natural capital, and the need to address deficiencies in physical, financial, human, social and political capital in order to generate sustainable livelihoods.

#### Quality of Life reports

The Quality of Life (QOL) surveys conducted by the Department of Land Affairs (DLA) have provided some, limited, insights into the land uses and livelihoods of land reform beneficiaries. The QOL surveys were initially envisaged as annual surveys, later as biannual surveys, and have in practice been published in 1998, 2000 and 2003, with a fourth survey being in process during 2006, for which results are expected to be available during 2007. The DLA commissioned the QOL surveys to investigate the extent to which the objectives of the land reform programme have been met. The surveys claim to provide 'an account of the impact of land reform on the livelihoods of land reform beneficiaries' (DLA 2003:xx).

<sup>1</sup> The United Nations Development Programme (UNDP) uses a hexagon, rather than a traditional pentagon, with the addition of political capital as a sixth dimension of livelihood assets.

<sup>2</sup> Based on Andrew et al. 2003, DLA 2003, and May and Roberts 2000.



The first survey was a small study conducted internally by the DLA's Monitoring and Evaluation Directorate, and published as the *Annual Quality of Life Report* in October 1998. This survey, conducted in 1997–98, 'was widely criticised for its limited scope, its questionable theoretical assumptions and its methodology' (Naidoo 1999, cited in Lahiff et al. 2003:47).

*An independent assessment of the report concluded that the study was not sufficiently detailed to permit the assessment that was required by DLA. The assessment also questioned the sampling procedures that were used, and the way in which these were implemented raising the concern that the study may not be representative or sufficiently rigorous for the purposes of monitoring* (Lahiff et al. 2003:47).

The second survey attempted to assess the impact of reform on livelihoods, though this was shortly after transfer – more than half the projects had been transferred less than a year prior to the survey (Lahiff et al. 2003; May & Roberts 2000). The survey found widespread underutilisation of land, both in the sense of land not being used at all, and land that was potentially arable being used for less intensive forms of production: 'much land remains under-utilised, with neither grazing nor cultivation occurring' and 'the most common form of productive use is as grazing land' (May & Roberts 2000:8,13).

The key findings on livelihood strategies from the second QOL survey were that 'beneficiary households have alarmingly high levels of poverty, with 78% falling below the expenditure poverty line of R476.30 per adult equivalent per month and 47% classed as ultra poor (less than half the poverty expenditure line)' (May & Roberts 2000:14). As with the previous QOL survey, this finding would appear to refer to the position of beneficiaries at the time they joined the project, rather than as a result of land reform, given that most projects surveyed were still at the inception stage. Nevertheless, there was substantial variation in beneficiaries' livelihood sources and strategies.

The key findings of the second QOL survey on the livelihoods of land reform beneficiaries were:

- Sixty-three percent of beneficiary households received some form of waged income.
- Just under 20% of beneficiary households received an income from both agricultural production and self-employment activities.
- Only 8% of households acknowledged transfer payments, though this low figure is probably related to the virtual absence of migrant household members in the sample.

- Thirty-eight percent of households were deriving income either from the sale or own consumption of agriculture and livestock, while 62% were not deriving income at all, indicating that livelihood impacts may be very unequal across households, even within the same project. The average household income from agricultural activities for the total sample was R1 146 per annum (May & Roberts 2000:15).

The most common land uses were the extension of existing livestock herds and maize production for household consumption – two important inputs into the livelihoods of poor and vulnerable households (May & Roberts 2000). Even while most production on redistributed land was considered to be for 'subsistence', the survey found that among those cultivating, most are both buying inputs and selling at least some of their produce, usually in very local markets – as is the norm for 'subsistence' producers in South Africa. The study found that land reform beneficiaries were better off than the rural population on average, but failed to demonstrate whether or not this was as a result of their improved access to land – or whether this correlation was due to the better off being more likely to be able to access the programme.

*The analysis ... is clearly a first step that should be complemented by more detailed examination of the data available, as well as continuing monitoring of progress along the way. The current data does not permit a detailed impact analysis of the land reform, and only tentative conclusions can be reached at this stage* (May & Roberts 2000:23).

The third QOL survey, conducted in 2002 and reported in 2003, encountered serious problems and discontinuities with previous surveys. It differed from its predecessors in terms of its sample, the design of the research instruments and analysis of the data. This report was never officially released by DLA. Despite, or perhaps in view of, the methodological problems encountered, it provided important recommendations for future impact analysis, as follows:

- *The DLA needs to integrate the collection of baseline household level information into its project cycles so that information on the quality of life of beneficiaries prior to the transfer of land is recorded. This is a basis for monitoring and evaluation. This will require improving the Landbase data system of M&E and capturing more extensive beneficiary and project information during the project approval stage.*
- *The DLA should produce QOL reports on an annual basis, using a standard set of survey instruments to reflect the impact of land reform over time. The reports should*

*be extended to assessing the resources committed to the delivery of land reform, including staff capacity, capital and operating budgets, and contributions from other government departments, parastatal and local government institutions.*

- *The QOL survey should be extended to include a control group of rural households and communities that have not benefited from land reform. This will enable future reports to compare improvements in the quality of life of land reform participants to other rural populations. Existing macro data sets are not appropriate for this comparison as they are outdated. Neither is the National Census appropriate, as it is conducted only every five years and there is too long a delay in the release of results (DLA 2003:xxxii).*

The QOL studies have shown that those who are richer are more likely to have cattle – but are they richer because they have cattle, or do they have cattle because they are richer? Those in the programme are better off than the rural population as a whole – but are they better off because they are land reform beneficiaries or did they manage to become land reform beneficiaries because they are better off? Redistribution policy, unlike restitution policy, is premised on the presumption that the presence of an own contribution can have a positive impact, but this proposition has not been empirically tested. As Murray observed in the Free State, those who are best placed to participate in the land reform programme, and predominated in an early study of land reform, were those who were literate, had their own disposable resources with which to pursue their applications, had access to telecommunications, transport and officialdom, and had social and political networks (Murray 1997).

In summary, there remain both technical and conceptual challenges in determining livelihood impacts within the context of South Africa's land reform programme. Existing data from the QOL studies on the livelihoods of land reform beneficiaries demonstrate important correlations, but on the whole fail to demonstrate causal relations that tell us something about the ability of land reform to improve people's livelihoods and lift them out of poverty.

In the absence of baseline data – a profile of people entering the programme – subsequent surveys can only provide a snapshot of people's livelihoods, but cannot explain how these have changed as a result of land reform. In addition to the 'before' and 'after' dimension, few, if any, studies have attempted to disentangle or even adequately conceptualise on-project livelihoods in relation to people's overall livelihood strategies – how land reform is one input into wider livelihood strategies – or to theorise the

relationship between the two. As a result, impact studies, which would investigate changes over time and determine whether these can be attributed to land reform, have not been possible.

## **Community Agency for Social Enquiry case studies**

The most substantial source of qualitative information on the outcomes of rural restitution claims to date is the audit conducted by the Community Agency for Social Enquiry (CASE) in 2005 and 2006. This brought together a series of provincial reports on a total of 179 rural restitution claims that contained a development component (that is, land restoration). At the time, 161 of these constituted the total number of settled rural claims involving land restoration. The remaining 18 claims studied were being prepared for settlement (CASE 2006:1).

The CASE audit found a strong correlation between the degree of support, from state and non-governmental institutions, and the livelihood outcomes of a project. Thorough facilitation of decision making by the community around land use and management was found to be essential, as was the establishment of steering committees or sub-structures to manage land allocation and land use. A perennial problem, though, was the reliance of communal property association (CPA) or Trust committees on representatives who might be skilled but unaccountable, or who may pursue individual rather than collective interests. Extensive reliance on volunteerism and the demands of time posed substantial barriers to entry into decision-making positions. Women, in particular, are often unwilling to take on positions of leadership or face substantial obstacles to doing so.

This research also identified variables that influence livelihood outcomes over which the Regional Land Claims Commission (RLCC) and the DLA have limited control, specifically strong and accountable leadership:

*[T]hose communities with skilled and experienced leaders ... were more likely to attain their developmental goals and were also more likely to establish positive relationships with external service providers and/or partners (CASE 2006:99).*

Another factor cited as promoting positive livelihood outcomes is strong participation by members of claimant communities in decision making. The creation of relevant sub-committees or institutional structures with specific areas of authority and responsibility for 'day-to-day management' was found to increase participation in and benefits from productive activities (CASE 2006:99). The

study recommended that further thought be given to how state agencies can support community decision-making processes, and suggests that there are few shortcuts to community decision making. Where land reform projects require large groups of people to form legal entities, intensive facilitation of participatory decision making is needed.

The CASE report expressed cautious optimism about the potential for strategic partnerships and 'special purpose vehicles' to manage commercial enterprises, where land has been transferred to land reform beneficiaries who may lack the resources and management expertise to continue with existing operations (CASE 2006:99). However, it found that the projects most likely to succeed were those in which there is upfront support to beneficiaries in determining whether they wish to engage in such a partnership – which would include exploring alternatives – and monitoring of the partnership after its establishment. Without these conditions in place, CASE argues, strategic partnerships hold little promise of livelihood improvement.

## **Land Redistribution for Agricultural Development (LRAD) case studies**

In 2004, the DLA conducted a national 'rapid systematic assessment survey' on Land Redistribution for Agricultural Development (LRAD) projects. This study investigated land use and livelihood impacts on LRAD projects, most of which had been established within the previous two years. PLAAS conducted the fieldwork for this survey in nine projects in the Eastern Cape, and produced a report which synthesised the findings of these qualitative case studies (Hall 2004).

Two types of project were discernible within the LRAD study. The first consisted of group-based projects, such as Gletwyn outside Grahamstown, which drew together groups of poor people with few resources, who had joined together to form groups with the express purpose of gaining sufficient grant funding to buy available properties and effect land transfer. Similarly, the Masincedane CC, Dunmall-Larne and Ramfontein CC projects outside Elliot consisted of extended and neighbouring households from one village who had come together to purchase farms adjacent to their land within the former Transkei, in order to extend their farming operations and to take advantage of improved infrastructure – specifically fencing and boreholes. Among these projects, most had failed to implement their business plans due to a lack of infrastructure, training and capital. Envisaged livelihood improvements from producing food crops for local sale had not materialised due to a lack of available water (in one instance, the balance of the grant

was spent on a tractor instead of a borehole), a lack of capital and extension advice to assist in new production, and a lack of ready access to local markets. The most significant barrier to accessing support – and even making contact with officials who might be able to provide advice and support – was the high cost of transport to the closest town, Elliot. After grant funding was exhausted, the only source of income to pay for transport of people to town and the transport of production inputs were state pensions. In the face of unmanageable input costs and a lack of water, most beneficiaries had abandoned cultivation and instead merely extended their grazing land. Here, in the absence of cash benefits from land redistribution, the key livelihood benefit was the reduced need for labour for herding as a result of the fencing infrastructure on the new land.

*A new insight from all three projects is the extent to which obtaining farms for grazing livestock frees up the labour of young boys from herding duties that are much more onerous when livestock are kept on village land. Instead of alternating between herding and school, boys are now able to attend school full-time (Hall 2004:48).*

The second type of project bore a closer resemblance to the official vision of LRAD as a means of supporting 'emerging' farmers – individuals (all of them men) who had leveraged higher grants by contributing their own assets, particularly their existing livestock, and taking out loans of up to 70% debt-equity ratio. While hoping to move into commercial production, they faced problems of high input costs, little if any extension services, insecure market access and, in some cases, crippling debt. These beneficiaries were hiring labour, and diversifying their own livelihood sources by investing in other income streams. The dominant non-farm income sources for beneficiaries in this study were small informal urban businesses, such as taxi businesses and spaza shops, which tended to outweigh the contribution of farming to livelihoods, at least in the initial few years (Hall 2004).

While beneficiaries had received a valuable land asset, the cost of obtaining and maintaining it was so high that they had few resources left over for production. Even without these costs, they would still struggle to make a profit for the other reasons already stated. This survey therefore highlighted the costs of sustaining ownership, in view of the debt burdens incurred as a result of purchase and start-up costs. These posed a major constraint on livelihood improvements within the first few years of operation. Whether or not the debt burden would become more manageable could not be assessed, but appeared unlikely given the multiple obstacles to profitable agricultural production. In almost all the cases studied, small-scale livestock owners had acquired land with the intention of

scaling up their livestock production, but had also planned horticultural production, specifically vegetable production, with a view to earning a cash income with which to service loans and/or to invest in further infrastructure on their land. Instead, financial pressure on beneficiaries as a result of acquiring the new land had altered their plans for the land, leading them to abandon more capital-intensive production in order to generate income with which to service debts.

## District case studies

In 2005, the National Treasury commissioned a set of studies on the impact of land reform which took as its unit of analysis geographical areas rather than projects. District studies were conducted in the Elliot area of Sakhisizwe Local Municipality, which forms part of Chris Hani District Municipality in the Eastern Cape (Aliber et al. 2006); in the Theewaterskloof Local Municipality of the Overberg district in the Western Cape (Kleinbooi et al. 2006); and in the former Qwa Qwa area and adjacent commercial farming regions in Maluti-a-Phofung district in the Free State (Greenberg 2006).

Most studies on land reform in South Africa to date have taken the form of project case studies, household surveys or policy reviews. The key contribution from these studies is to shift attention away from production to the wider distributional effects of land reform – and in so doing, to explore the economic case for land reform. Their findings suggest that in regions where few land reform projects have been established, the impact has been limited. Transferring economic resources into the hands of poorer producers has had little if any noticeable effects on the dynamics of the local economy. In the short term, the major impacts have been the displacement of farm labour, as new owners tend to rely to a greater extent on unremunerated family labour.

### Elliot

Of particular importance to researchers and policy makers concerned with land reform and its impact is the Elliot magisterial district in the Eastern Cape, which is the only part of the country to date where land reform is on track to transfer the national target of 30% of farmland, through all aspects of land reform. As of 2005, more than 15% of the farmland in this area had been transferred from white to black ownership through land reform. The boundaries of the Elliot magisterial district are nearly coterminous with those of the current Sakhisizwe Local Municipality. Sakhisizwe includes former white commercial farming areas, but also, in the south, a relatively small area of the Cala magisterial district which was part of the former Transkei (Aliber et al. 2006). The residents of the former Transkei who border on the commercial farming areas, and typically own livestock and

cultivate food for their own consumption, have expressed a demand for access to more land to expand their operations, and seek, by participating in the land reform programme, to acquire secure tenure to land, to gain access to water and fencing to reduce the labour requirements in livestock husbandry, and to reduce animal damage to crops (Hall 2004; Ncapayi 2005). In these commercial farming areas, the research found a drop in production alongside modest improvements in the livelihoods of those who now own and work the land (Aliber et al. 2006). The study recommended that a focus on the livelihood impact of land reform in Elliot, where land reform is relatively advanced, needs to focus not only on those who are direct beneficiaries gaining access to land and livelihood resources, but also on an interrogation of the wider impact of land reform on local economies – something which is not yet feasible in many other parts of the country. This broader type of impact assessment draws attention to the implications of land reform for the livelihoods of those who are not direct beneficiaries, including current and former employees on redistributed and restored land, and the wider population (Aliber et al. 2006).

### Theewaterskloof

Kleinbooi et al. (2006) show that in the Theewaterskloof Local Municipality in the Overberg district, where deciduous fruit and wine are the dominant agricultural sectors, land reform has not led to any major changes in land use and only very modest contributions to livelihoods. Only twelve projects have been established in the area, and of these only two have involved the transfer of land ownership. The rest have been farm worker equity schemes and tenure projects for farm workers. No land restitution has taken place. Here, the impact on beneficiaries has been 'limited, but not negligible', largely taking the form of improving quality of or tenure rights to housing on farms:

*Farm worker equity schemes – promoted by a small group of private consultants – have emerged almost by default as the principal means by which poor beneficiaries can gain a stake in high value agriculture while avoiding the politically (and financially) thorny issue of actual land redistribution. The evidence in this study suggests that equity schemes can take a variety of forms, but deliver few benefits (Kleinbooi et al. 2006:63).*

Dividends, the major benefit anticipated in equity schemes, have been paid out only once, and in only one scheme. Instead, in cases where profits were declared, these were used to service loans or were reinvested into production (Kleinbooi et al. 2006). Indirect benefits consisted of improved compliance with basic conditions of employment and minimum wages, as stipulated in national regulations,



Photo: Marc Wegerif

but also in some instances pension schemes, funeral plans and healthcare (Kleinbooi et al. 2006). Although there was no evidence of new jobs (that is, new livelihoods) being created as a result of these schemes, there were indications that, in a context of fairly widespread job shedding, some jobs had been preserved as a result of the schemes – though many of these were casual and seasonal jobs, providing insecure and erratic income to poor households.

*For land reform to have a more substantial impact on livelihoods and the local economy, new ways will have to be found of redistributing land and supporting emerging farmers. This will, in turn, require new ways of interpreting land reform policy, that promote land access over land ownership, at least in the short term, self-employment over share equity schemes and small-scale, labour intensive production for local markets over large-scale, capital-intensive methods for export (Kleinbooi et al. 2006:67).*

### **Maluti-a-Phofung**

In the Free State, a study of the Maluti-a-Phofung Local Municipality found that redistribution of land acquired under the former Qwa Qwa administration, as well as privately-owned commercial farming units, had allowed the growth of herds of cattle and, in this way, supported accumulation by some black households (Greenberg 2006). Constraints faced by new landowners included escalating production costs, particularly the purchase of input items, while the provision

of farming support services such as marketing support and market information, credit and production inputs by state agencies was withdrawn as part of the broader process of agricultural deregulation (Greenberg 2006). The major constraint for black farmers was a 'lack of material resources to reduce vulnerability and enhance resilience' (Greenberg 2006:7). The study concluded that grants were 'insufficient in and of themselves to have positive results'. Observable problems in land use in the post-transfer phase could be traced to a basic problem with the grants themselves. Reliance on grants for the purchase of land and initial start-up costs led to projects that were unworkable in that the land was insufficient or inappropriate, or that new farmers were indebted (Greenberg 2006). These cash-strapped landowners now rely heavily on the unpaid labour of family members and even non-family members. Those who were paid were predominantly casual or seasonal employees, as in the wider farming sector, and wage levels were typically in the region of 50% of the minimum wage rates stipulated in the sectoral determination for agriculture (Greenberg 2006).

These three district-level studies have focused attention on a new and relatively unexplored perspective on the impacts of land reform, namely the impacts on the dynamics of local economies, including both beneficiaries and non-beneficiaries.

## 4. Livelihoods impacts in rural restitution projects

The following section provides a brief summary of key findings from diagnostic studies of six community restitution claims settled by means of land restoration, conducted by the Sustainable Development Consortium during 2006. It focuses on the structure of the projects, how certain key choices came to be made, and what implications these had for the livelihoods of intended beneficiaries. Most of these projects are still at an early state of implementation, and very limited data are available on benefits, at either a community or a household level. Wherever possible, the impact on livelihoods is quantified, but in most instances this is not possible due to data constraints.

### Bjatladi

In Limpopo, a restitution claim on the Zebediela citrus farm – widely described as the largest citrus producer in the southern hemisphere – led to the establishment of a strategic partnership between the Bjatladi CPA (the claimant, and now owner of the 5,903-ha property), the Zebediela Workers' Trust, and a strategic partner called Henley Farm Properties (Pty) Ltd. Together, these three entities comprise the operating company, in which Bjatladi CPA owns 30% of shares, while the other partners, the Workers' Trust and the strategic partner, own 15% and 55% respectively. Only the strategic partner was required to buy shares; the Agriculture Rural Development Corporation (ARDC) transferred shares to the others. In terms of the restitution settlement agreement, the strategic partner will transfer 1% of the total shares to the Bjatladi CPA each year for five years, until it owns only 50% and the CPA has 35%.

The land was transferred in title to the claimant community but, as part of the Settlement Agreement, was subject to a 15-year lease agreement with a rental set at R1 million per annum. When the 15-year lease expires, the strategic partner is to transfer all its shares to the CPA. While ensuring a source of cash income for the CPA, this agreement precludes other potential non-financial benefits that might have been gained through direct use of the land by members of the claimant community.

The diagnostic study conducted by PLAAS highlighted the limitations on the community's use of the restored land:

*Although not stated in these exact terms, the Settlement Agreement implies that the activities entered into with the strategic partner constitute the only permissible use*

*to which the land can be put, and that access to land by members for other purposes such as cultivation, grazing rights or residential purposes fall outside the scope of the Settlement Agreement, and thus outside the terms of the restitution award (Bjatladi Diagnostic Study:16).*

Apart from rental income, which is set well below a likely market rate, the principal benefit to the community will be in the form of a share of profits, which implies a considerable degree of risk. Like most commercial farms, Zebediela 'doesn't have a profit history. At best, it has a break-even history' (Erasmus, quoted in Bjatladi Diagnostic Study:24).

The actual livelihood benefits for members of the claimant community at Zebediela can be summarised as follows:

- Dividends from shareholding: Apart from a special bonus of R500 per household at the time of the settlement, no dividend has yet been paid out by the operating company, reflecting the minimal profitability of the commercial operation.
- Rental income: The R1 million per year payable by the operating company to the CPA, which, if paid out to 423 households consisting of 1,573 individuals, would work out to a nominal amount of R636 per individual per year. However, to date it has not been paid out but reinvested in the operations of the company.
- Employment for some claimants: This cannot be considered a direct benefit of restitution as such employment predates the settlement of the claim and, in the three years since, there has been no increase in employment. The only exception is a small number of positions in management that have been created for community members.

The limited livelihood impact thus far arises from the way in which the project was structured, with the strategic partnership eclipsing other possible land uses.

*The settlement agreement and subsequent developments at Bjatladi have focused narrowly on the citrus estate and the related activities, all of which fall under the effective control of the strategic partner. As a result, little or no attention has been paid to the wider land needs of the community, such as land for housing and for small-scale food production (Bjatladi Diagnostic Study:24).*

Although the total value of assets transferred from the state to the claimants – in the order of R78.9 million – the project

has produced barely any livelihood impact for beneficiaries, other than those able to enter into management. Profits appear unlikely to materialise on any substantial scale, and rental income is being reinvested in the operating company as a step towards eventual takeover from the strategic partner. In essence, the community has been granted a valuable asset that is unlikely to generate significant benefits in the short term. Benefits, if they are to materialise, are likely to do so only after the expiration of the current 15-year contract with the strategic partner. Although the Bjatladi case has many unusual features – notably the fact that it was owned by the state, and the strategic partner was already involved in running the estate on a contract basis prior to the settlement of the claim – a similar model of strategic partnership, with no direct access to land for community members, has been proposed for other claims on high-value agricultural land. It is likely that many of the limitations on livelihood benefits identified at Zebediela are to be replicated in such cases.

## Klipgat

In the North West province, a community restitution claim at Klipgat, or Bakwena ba Mare a Phogolo, was settled in 2000, and a CPA established as the legal landholding entity. As with Zebediela, Klipgat is a highly dispersed, and starkly differentiated, community:

*The capacity and qualifications of the community members of Klipgat are diverse, with some members being professionals such as doctors and lawyers while others are illiterate and work as manual labourers. Many of the members remain unemployed (Bakwena ba Mare a Phogolo Diagnostic Study:6).*

In terms of the Settlement Agreement, the claimed land was restored to the CPA and then leased out to a mining company, which is extracting alluvial diamonds, while some claimants have settled on the rest of the land. Here, beneficiaries have diversified their livelihoods and are engaged with three projects which arose out of the claim process – a piggery, brick-making and an arts and crafts (beading) initiative – as well as grazing their own livestock on the new land. Thus far, it seems that the mining is the aspect of this multi-dimensional project that has had the least impact on beneficiaries (other than removing this land from their own potential use). Although the mining enterprise would appear to be highly lucrative, the CPA has not received any dividends from the share in the mining operation that it reportedly received as part of its lease agreement. More worryingly, the community itself, including its leadership, is not aware of the terms of the deal to which it had agreed. Etruscan, the owner of the mineral rights, leases the land on which the mining operations are being

pursued from the Klipgat CPA. In return, the claimants have been ceded a 26% share in the Etruscan company. However, it appears that the CPA is liable to pay market price for 11% of the shares, apparently meaning that the company only ceded 15% of total ownership to the CPA in return (together with a small rent) for using its land. Payment for the balance will come out of income earned by the CPA, but members were found to be unaware of how much this would amount to, or how much, if any, had already been paid off.

The livelihood benefits observed at Klipgat were:

- Rental income: The CPA receives a cash income of R6,000 per month, as a 'surface access fee' via the mining company, Etruscan, but which is actually paid by its subsidiary Gothoma Diggings. There appeared to be plans in place as to how this money would be utilised by the CPA, including distribution of it to its members.
- Additional payments to the CPA: An amount of R17,000 per month is supposed to be paid to the CPA by Etruscan in order to support community projects, but it appears that little of this has been paid over to date.
- Access to natural resources: The CPA members have access to some grazing land and to clay (a by-product of the mining activity), which they use for brick-making.
- Employment: Five community members, of whom one is a woman, have gained employment on the mine, far below what was originally promised to the community.

Etruscan promised many benefits and undertook to provide support in both cash and kind to the community. Most of this was not quantified and has not been forthcoming. Essentially, the agreement identified Etruscan as a source of patronage in areas of the community's development. Community leaders interviewed appeared not to be aware of most of the undertakings made by Etruscan, nor how these could be enforced.

In terms of this agreement, substantial payments were due to the claimants: R1,619,000 in the first three-month period, as dividends from the diamond mining. The CPA, however, could not confirm whether it had received any of this and, if so, what had happened to the money. A lack of official oversight of the implementation of the settlement agreement – by the RLCC or others – has allowed the mining company to minimise its obligations, while a lack of effective financial management or accountability within the CPA has created potential for personal enrichment by those in positions of authority. If monies due to the CPA have in fact

been paid to it, it is either unaware or unwilling to declare its receipts, and has not disbursed funds to its members, nor reinvested income in the development projects pursued by its members.

At Klipgat, claimants appear to have little information, understanding and ownership of the agreements they or their representatives have entered into. What is also apparent is that they received inadequate independent advice and support in negotiating and enforcing the terms of their agreement with Etruscan.

*The relationship between the mining company, which has mineral rights on the community's land, and the CPA remains an unequal one. In addition, the terms and conditions of the agreement between the two parties are not well defined or understood by the community. The current agreement and the operations of the mining company have the potential of leaving the community in a very vulnerable and exploited position (Bakwena ba Mare a Phogolo Diagnostic Study:18).*

The Klipgat case indicates that, even where there exists the potential for substantial livelihood benefits, a dysfunctional CPA committee and a lack of effective support and follow-up from the RLCC and other branches of government can prevent this from being realised.

## Dwesa-Cwebe

On the Wild Coast in the former Transkei, a co-management agreement was concluded in respect of protected land that forms part of the Dwesa and Cwebe Nature and Marine Park, an important biodiversity hotspot. This was the first co-management agreement in respect of a restitution claim on a protected area in the Eastern Cape, and the second in the country, after the Makuleke claim was settled in the Kruger National Park. In return for waiving its claim to return to the land, the Trust representing the claimants was compensated with an initial upfront payment, and the Trust is entitled to receive ongoing payments over a period of 21 years, in lieu of its rights to the land which remains part of the park. Eastern Cape Nature Conservation paid R2.1 million upfront to the Trust on settlement of the claim, for the lease of the land for 21 years. A further approximately R12 million was earmarked by the RLCC for the claimants, in the form of discretionary and settlement planning grants.

Although the claim was settled in 2001, five years later the transfer of the claimed land inside and outside the reserve has not taken place. Land outside the park that forms part of the claim has not gone through any changes in land use, and continues to be communal land, under livestock production and cultivation of vegetables, mostly for own

consumption. The members of the claimant community mostly reside nearby on communal land. A further unit of land surveyed as part of the claim includes the Haven Hotel and resort, which continues to be operated as a commercial concern, for which the Trust is to receive compensation. On the land occupied by the beneficiaries, though, 'There has also been no discernible development beyond reticulated water and a few public works projects' (Palmer et al. 2006:4). This suggests that no more development has happened *as a result of restitution* than in adjacent areas that are also communal areas of the former Transkei, which have been prioritised as part of the Extended Public Works Programme (EPWP). There appears to be an untapped potential for cultivation, with arable land being used for extensive livestock grazing. Reasons for the limited use of arable fields include crop damage by livestock due to poor fencing; absence of men's labour for livestock herding; absence of children's labour, as children are now in school; and the high costs of ploughing and inputs (Fay & Palmer 2002:164–5, cited in Palmer et al. 2006:14). However, in some regions, there was an increase of cultivation, though this could not be attributed to the claim itself as no change in land access or ownership had been effected.

The observed changes in beneficiary livelihoods between 1998 and 2001, immediately prior to the claim being settled, were:

- Increase in the percentage of residents who receive state social grants, though this may well indicate improved access rather than a decline in other socio-economic indicators.
- Declining remittances from household members earning cash incomes elsewhere. Again, this may indicate reduced reliance on migrant work, or loss of these sources of income for other reasons (job losses, HIV/Aids, etc.).
- Reduced reliance on crop sales as a source of livelihood.
- Increased reliance on craft sales as a source of livelihood.
- Increased access to occasional work (Palmer et al. 2006:35).

The Dwesa-Cwebe case study demonstrates that land reform is happening in a context where livelihood strategies are changing anyway, in response to pressures of HIV/Aids and the loss of remittance incomes. It also shows that ownership by itself does not bring livelihood benefits, if this is so circumscribed that claimants may not use their new land either for cultivation or grazing or to transact in order to secure a stream of revenue. This case clearly illustrates the need for development of a comprehensive



strategy for livelihoods development in the context of restitution, especially where cash is available upfront, to be accompanied by close attention to detail at all stages of the implementation process.

## Covie

In the Southern Cape, the Covie community has laid claim to part of the Tsitsikamma indigenous forest reserve and coastal plains. The restoration of the community's access to the sea and to a fishing livelihood forms part of the claim.

The Covie land had comprised a commonage – where residents cultivated vegetable allotments – and common grazing land. Residents had been independent small-scale farmers, but also worked at times on neighbouring white-owned land and on the state-owned forest land now under the control of the Department of Water Affairs and Forestry (DWAF). The development plan now envisages the transfer of title to individual allotments to households, and the transfer of the remainder of land, to be used in common for grazing, to a legal entity comprised of all claimant households.

It is not possible to draw conclusions about the outcomes of this claim since, although the claim was lodged in 1996 and investigations towards its settlement have been ongoing since the late 1990s, as of late 2006 it was not yet settled, and claimants have not yet returned to the land. Nevertheless, a key innovation at Covie was the decision by the claimants, together with the RLCC and the Southern Cape Land Committee, to delay settlement of the claim until development planning was complete and resources for implementation of this plan were committed. In view of past experiences where settled claims had poor results due to lack of post-transfer support, the RLCC decided to prioritise development planning, and delay settlement. Its specific goal in ensuring that plans are in place prior to settlement and transfer is that a range of key agencies, specifically the district and local municipalities, have specified Covie in their development plans and earmarked resources for this purpose. This led to a partnership between the claimants themselves and the variety of institutions and service providers that will play a role in their future development, formalised in a Memorandum of Understanding (MOU).

*Thus the Covie claimant committee resisted signing the Section 42D opting to ensure a Development Plan with appropriate institutional arrangements and the necessary implementation funds and skills were in place before any transfer of land (Conway & Xipu 2006:6).*

Signatories to the MOU formed the Covie Steering Committee to drive an integrated process of development planning to secure funding commitments from relevant

institutions, including grants from the Department of Environmental Affairs and Tourism, ahead of the claim being settled. This approach has delayed settlement of the claim, but has ensured that Covie is written into the local integrated development plan (IDP) and the municipality's spatial development framework.

*Ensuring all the pieces of the development puzzle are in place before transfer of land is CRUCIAL. All stakeholders must be tied in to fulfil their mandates within land redistribution and rural development. As state departments are tied in so they are able to identify budgets, technical expertise, land and other resources, easing the responsibility on cash-strapped and struggling local authorities. It is our experience that departments are thankful for an opportunity to work in an integrated and holistic manner (Conway & Xipu 2006:5).*

*The Covie land claim is backed by exceptionally strong financial and material support from government. All signatories to the MOU undertake to report on an annual basis on their progress towards achieving their commitments. However a review mechanism will have to be established to do ongoing monitoring of the Covie development to make sure proposals and business plans, come to fruition (Covie Diagnostic Study).*

Although the claim is not settled and, thus far, no livelihood benefits are evident, the model adopted in the Covie claim is intended to avert problems of institutional coordination, funding and post-transfer support, and to yield benefits that are guaranteed by legal commitments signed by relevant authorities.

## eMpangisweni

In KwaZulu-Natal, at eMpangisweni, a land claim on several farms by a dispossessed community under Chief Zondi, led to the acquisition and consolidation of several farms and portions of farms. In terms of the 2003 Settlement Agreement, these commercial farms would continue to be operated as commercial entities, while restored land that had been unused and was not suited to cultivation would be used for the establishment of three settlements. However, claimants moved onto the land before formal settlements could be established, in a more scattered pattern of settlement than had been planned. This has made the formal establishment of settlements, and provision of services, difficult. In addition to the existing, and already occupied, houses of farm workers and labour tenants, claimants have built their own homes rather than wait for the provision of formal settlements which have not, as yet, materialised.

The current land use involves a mix of commercial production, for which some claimants are employed as

wage workers, and own production by claimants who have settled on the land. These claimants are grazing their own livestock and cultivating food crops. Commercial production is supported by the balance of the restitution grant (R600,000 was available for the first two years), as well as some direct support from the provincial Department of Agriculture and a loan from Ithala Bank. Here, the Trust employs a farm manager on a contract basis. A small portion of the land has been leased out to a company, Bio-Swiss, to plant green beans, in return for a rental income and access to wage employment for some. Even so, members engage in land uses for basic livelihood purposes, in the face of limited infrastructure and support.

*Members have access to grazing land and for cultivating their own crops. Each household has access to 'piece lands' for their own cultivation but these are not always near to where people actually live. Many of these do not have access to the available irrigation infrastructure either. The community has access to approximately 22 ha of high value land to use for their own purposes (eMpangisweni Diagnostic Study:17).*

Despite attempts by the RLCC to get the abaQulusi Local Municipality to address the need of the claimants to acquire services on-site, this support appears not to have been forthcoming.

*It was agreed that the abaQulusi Municipality would assist with the development of the restored land and would help the claimants in terms of applying for subsidies through the Department of Housing. However, from all accounts, it seems that the municipality has shown very little interest in engaging with the project, with party political differences being cited as the underlying reason (eMpangisweni Diagnostic Study:19).*

Land uses thus combine leasing-out land, the operation of a commercial enterprise with a hired manager and wage workers, and an informal pattern of settlement and production for own use under the direction of the traditional leader. Although claimants planned to seek training from CEDARA Agricultural Training College, this has not yet happened. Instead, for many, the first priority is adult basic education and training, specifically literacy and numeracy, prior to agricultural training.

In the absence of financial benefits in the form of dividends from commercial production (the commercial farm has yet to show a profit), livelihood benefits are derived in large part by individuals using land allocated to their households for their own use. At the time of the study, there was no functional legal entity and the Trust had not held formal meetings. Instead, authority over land administration had *de*

*facto* reverted to the *iNkosi*. Allocation of substantive rights has taken place, not through the formal operations of the Trust, but according to customary practices, and through the traditional authority.

*In practice, members of the Zondo tribe or other residents who are not members enjoy the same rights as the members of the Trust and have the right to a residential site, arable site, grazing and the use of natural resources on the property. Rights to arable land may be reallocated by the trustees and/or Inkosi, if they are not used. In general, the rights are issued by the Inkosi in terms of verbal agreements made at the iBandla (tribal council) (eMapangisweni Diagnostic Study:12).*

Because the project involves a business entity that is being run commercially by a contracted manager and is providing employment, the focus of pre-settlement planning and post-settlement support has been on this aspect, rather than on the wider livelihood needs of the claimants. These wider needs have been pursued largely in an ad hoc and unplanned way – sometimes overtaking slow planning processes, as is the case with the construction of informal housing on the land. Although the land was transferred in early 2004, the study has found that no needs assessment of the claimants has been conducted, in order to determine what broader development plan will be put in place to support the aspects of the project that fall outside the commercial operation of a portion of the land.

## Groenfontein

The Groenfontein-Ramohlakane claim in the Middelburg district of Mpumalanga was settled in September 2003, the beneficiaries being approximately 3,200 people in 400 households. Three years later, no grants had been paid out, and it appeared that no land-use planning had happened, nor was there external support of the unplanned agricultural activities that community members had initiated on the 599 ha of land that had been restored to them. Despite the presence of a borehole and a natural spring, the land is suited only to dryland cultivation of staple crops, notably maize and soya bean. Some beneficiaries were found to be producing, but with no external support – despite rather than because of a developmental restitution process. The Groenfontein Diagnostic Study described the case as 'an example of a settled claim that still remains unplanned and unsupported long after the land has been transferred to the claimant community' (Groenfontein Diagnostic Study: iii).

Members of the claimant community were allocated Restitution Discretionary Grants and Settlement and Planning Grants totalling R1,776,000 – more than the total cost of the land – which would be used 'for resettlement,

joint development and running costs of the farm and shall not be paid to the individual households' (Groenfontein Diagnostic Study:9). Although these figures are cited in the Settlement Agreement signed three years ago, the grants have not been paid out because the verification of claimants is still, to date, not complete.

Following the settlement of the claim, the land was leased to the former owner, Mr Steenkamp, for a year, and this was extended for a further 13 months, to September 2005, at a rental of R5,000 per month. If it had been paid out to members, this income would have amounted to just R2 for each community member per month. The claimants accused the former owner of asset stripping during the period of this lease, though this could not be verified as there had been no inventory of assets on the farm at the time that the sale agreement was concluded. A lack of faith in the ability of the government to provide the necessary support led the community to take this unusual step of embarking on what they called the 'Risk Project'. The community reports that:

*They have received very limited support and say they have lost faith in further support being provided to them, and are therefore attempting to rely on their own sources of funds and expertise* (Groenfontein Diagnostic Study:14).

The Groenfontein Trust called for community members who were interested in farming to express their interest. Of

the 3,200 members, eight expressed an interest and formed a group called the Umnotho Agricultural Development Project (UADP), which leases the land from the Trust at the same rental as was paid by Steenkamp. Essentially, then, the Trust switched from leasing the entire property to the previous owner, to leasing it to just eight of its members (0.25% of its total).

*The intention was that this group would independently seek assistance from various financial institutions and private sector and non-governmental service providers so as to ensure that the farm would be used productively and create employment for the community. The project plan of the UADP indicates that, 'such a decision was taken after realising that the conventional route of soliciting assistance from government institutions would take time, due to lengthy bureaucratic processes which the community has already experienced in dealing with the Land Commission' (Ramohlakane-Groenfontein Community Agricultural Project proposal, cited in Groenfontein Diagnostic Study:12).*

The RLCC's own explanation corroborates the community view that support has been negligible. As the RLCC's staff responsible for this claim reported:

*The claimants have basically received no post-settlement support. No business plan has been done. We need to finish claimant verification so that we can do the business plan.*



Photo: Marc Wegerif

*We couldn't use Section 42C for financing the development needs because that Section is kept only for developments once the business plan has been done. No real effort from the side of the RLCC has been made. We haven't been aggressive enough to assist or to get an agricultural economist to assist. We tried to get a CASP [Comprehensive Agricultural Support Programme] application but made no headway because CASP is being redirected to 'anchor projects' in accordance with ASGISA [Accelerated and Shared Group Initiative for South Africa] – funds are rather going to big projects that create employment (Interview, May 2006, cited in Groenfontein Diagnostic Study:14).*

The local agricultural official responsible suggested that it would be important to do a skills audit and a needs analysis and establish the potential strengths of the members and group them accordingly. However, at the time of the study, two and a half years after the claim was settled, this had not been done.

*The lack of developmental activities on the land is leading to land degradation and loss of agricultural potential. Besides leasing the land back to the previous owner until*

*mid-2005, no development activities have been undertaken on the land by the claimant community. The land is fast becoming neglected and overrun with weeds and alien plants, thus making it more difficult for productive activities to be undertaken in future (Groenfontein Diagnostic Study:18).*

The Groenfontein case study demonstrates that it is not merely an absence of post-transfer support, but also of pre-settlement planning, which led to the failure of this project, in the first three years after settlement, to generate any livelihood improvements for claimants. Instead, claimants pursued the lowest risk option of leasing out their land, first to the former owner, and later to a small group of its better-off members, bringing about a small income stream to the Trust, but no tangible benefit for claimants. The lack of a clear post-settlement strategy on the part of the RLCC has not only prevented the community from moving ahead with their plans, but has been an obstacle in obtaining support from other government agencies, such as the provincial Department of Agriculture and the local municipality.

## 5. Conclusions: Emerging trends in livelihood impacts

**The most striking finding from the case studies is that the majority of beneficiaries across all the restitution projects have received no material benefit whatsoever from restitution, whether in the form of cash income or access to land.** Many have not moved onto the land, either because they are restricted from doing so (as in the case of leasing out of land, or as a result of strategic partnerships), or because post-transfer support has not been forthcoming and land-use plans are delayed. In the case of Groenfontein, eight members of a claimant community of 3,200 benefited by being able to access their land, but only by paying a market-related rental. Other members of the community are unlikely to gain direct access to the land, and are unlikely to benefit much from the rental income. Similarly, in the case of Bjatladi, most beneficiaries had not benefited, despite the commercial 'success' of the enterprise. Again, a rental income had not been passed on to members, nor would it have made a great material contribution to their livelihoods, given the size of the income in relation to the size of the group. Instead, a small sub-group of community members has benefited through access to employment, as part of the strategic partnership. It appeared that more highly educated members, and men, are most likely to reap these benefits.

**Even where land is being used, dysfunctional legal entities may prevent members from realising these as livelihood benefits.** In no cases where CPAs or trusts had received income from leases had this been paid out to members. In the case of Klipgat, the CPA was not able to say what had happened to the money allegedly paid by a mining venture in return for access to the land. Members had not been able to hold these institutions to account. No official agency has taken responsibility for capacitating the CPA committee, empowering the members to hold the committee accountable, or overseeing implementation of the Settlement Agreement.

**This study suggests that most land reform projects can be categorised within a simple typology.** This study highlights the type of project in which most participants do *not* settle on the land, but stay where they are, pending either (a) a coherent settlement and development process which could provide sufficient infrastructure and assistance to enable them to withdraw from existing livelihood activities, or (b) establishment of a commercial enterprise by other participants or through a strategic partnership,

which could generate either employment or income in the form of dividends to members. Where participants do settle on the land, two general patterns can be discerned. In some projects, participants settle on the land and engage in production largely for their own consumption needs, producing staple crops and vegetables and maintaining or extending their livestock. In others, participants establish their own homes and engage in production largely for their own consumption needs, alongside joint activities undertaken as a group. These variations may reflect differing priorities of participants or, more commonly, result from the constraints and pressures under which they operate.

**The failure of post-transfer support to materialise, even where this is specified in project plans, presents an overwhelming obstacle to production and marketing.**

The case studies all demonstrate a lack of support for independent production by members of claimant communities, particularly where members aim to produce for non-commercial purposes. This is often the outcome of a lack of land-use planning prior to transfer, which in turn may be due to the absence of an initial assessment of needs, skills, assets and priorities. This finding supports the observation by Lahiff and Cousins (2005:129) that 'limited post-transfer support, and the failure to integrate land reform with a wider programme of rural development, has severely limited [the contribution of land reform] ... to livelihoods and to the revival of the rural economy'. They propose that land reform focus not only on deracialising land ownership, but also on the 'redistribution of land and other assets from the large scale to the smallholder sector' and the reform of agricultural markets. With limited post-transfer support, and where land reform offers few opportunities to pursue multiple livelihoods, claimants have tended to engage in a strategy of 'straddling'. Rather than move their entire households, there is a tendency to maintain existing households and livelihoods, moving family members and resources between their existing and new homes (Andrew et al. 2003). This may improve their livelihoods, but is essentially a strategy of desperation which drains scarce resources, not least in transport costs.

**The failure to define and enforce post-settlement arrangements, and the roles of different institutions, has direct consequences for livelihoods.** Settling claims and transferring projects without having clear post-settlement plans and institutional commitments in place leads to

uncertainty, not only for beneficiaries but also on the part of those institutions, which are not under any compulsion to provide support. As people's own activities diverge further from plans, provision of planned post-transfer support becomes less likely. The absence of a clear lead agency inhibits intervention from other institutions. For instance, from these case studies, it is apparent that the provincial departments of agriculture look to the RLCC to take the lead in intergovernmental coordination and in galvanising its support.

**Improvements in beneficiary livelihoods depend not merely on the amount of support, but the degree to which this is integrated and strongly managed by a lead institution.** A crucial role can be played by service organisations, particularly NGOs, as in Covie, in facilitating community discussions and decision making. In this regard, delaying the signing of the final settlement agreement until firm settlement plans are in place and agreed is critical.

**Direct access to land to allow beneficiaries to graze their own livestock and to cultivate individual fields for their own benefit – even where this is alongside commercial production – is the most secure source of improved livelihoods.** The case studies demonstrate the central importance of access to land for self-provisioning. Where people are deriving livelihood benefits, this is often because of the initiative of those who have some resources and few alternative opportunities, and are not only willing but also able to invest their labour in using land by themselves to support their households – rather than waiting for production, infrastructure, training or marketing support from external sources. Such non-financial returns can be of particular importance in the early stages of resettlement, especially for poorer households, in the form of improved nutrition through consumption of own production, reduced cash expenditure on food as a result of consumption of own production, improved tenure security, housing and access to services. These non-financial benefits are only realisable where direct access to land is possible.

**Strategic partnerships represent high risks for claimants whose only livelihood benefit is to come from a combination of rental and dividend payments – which often are not forthcoming.** Strategic partnerships generally privilege continuity of production over livelihood benefits for beneficiaries. This review demonstrates that the degree of intervention that is needed to counteract predictable power imbalances in negotiations between highly unequal partners has been severely underestimated: in the context of strategic partnerships as in the cases of Bjatladi and Klipgat; in co-management agreements

in protected areas as in the case of Dwesa-Cwebe; and where beneficiaries lease their land out as in the case of Groenfontein. The promise of jobs often consists in merely maintaining existing employment (not always of the same people who are the restitution claimants), and is also often irregular, uncertain and seasonal. It is precisely where land is to be leased out, or subject to a strategic partnership, that securing a basic source of land-based livelihood is most important.

**While there are some notable exceptions, projects have tended to conflate the unit of ownership with the unit of management and of use.** Legal entities established as landholding bodies, such as CPAs and Trusts, have tended to take on tasks of managing and using land. This has contributed to situations where members of claimant or beneficiary groups are not able to start using their land, pending permission from committees, who insist on waiting for post-transfer support. Most restitution projects have tended to reproduce the Settlement Land Acquisition Grant (SLAG) model, whereby a legal landholding entity such as a CPA or a Trust also serves to manage the land and any enterprises on the land. Problems arise from the translation of joint ownership into joint production. In the absence of strong substantive rights of members, and in the absence of external support for production, members of some projects have engaged in informal sub-division of the land into household plots. This sub-division may take the form of negotiated allocation by a group or self-help by those with the means and interests to force their claims to a plot. The evidence suggests that, while some land reform projects initially attempted the collective production envisaged in business plans, this often did not get off the ground and collapsed into household or individual production. The challenge remains to support legal entities to manage their holdings, to allocate rights for individual or household-based use, and to equitably distribute the benefits of collective enterprises (including strategic partnerships) among their members.

**Non-implementation of development plans is widespread and is one reason why the livelihoods of beneficiaries do not improve.** The study found a large fall-off between plans and implementation, particularly with respect to settlement development and small enterprises. Some common reasons for non-implementation are that these plans were overly ambitious, risky, or involved a number of agencies without clear primary responsibility for coordination. Livelihood dividends cannot be expected if plans are not implemented, as seen in Dwesa-Cwebe. However, non-implementation also leads to survivalist strategies and self-help by beneficiaries who, as at eMpanigweni, may derive some benefits from unplanned

settlement, cultivation and grazing activities – though they may be limited by unclear and insecure tenure rights and a lack of support for production or marketing, which will constrain land-use options.

**There is a powerful impetus towards joint activities in land reform projects, and this frequently contributes to tensions among beneficiaries and failure of productive activities.** This is in contrast to the pattern of individual cultivation, as widely practised by poor people in the communal areas. This appears to be the product of a number of factors, including the failure in both restitution and redistribution programmes to demarcate plots for individual household use and to allocate these, and the resulting need to rely on joint activities as the only way of securing access to land. It may also, however, be the product of the community nature of claims and, to a degree, also the redistribution application process, which leads to an attachment, sometimes among both claimants and officials, to the idea of not only collective ownership, but also to use of land by 'the community'. The failure to move beyond group activities can also be attributed to the guidance the claimant communities receive from institutions such as the RLCCs and the provincial departments of agriculture, which appear to be heavily biased towards (collective)'projects', and away from individual models of production. This approach becomes particularly problematic when subgroups initiate particular productive activities, such as a piggery project or a poultry project, in which only some members participate, contributing their resources and labour – and it is unclear how produce and income from these activities are to be shared, and whether other members may have some claim to benefits.

**The trends identified in this paper suggest a lack of fit between the vision often evident in business plans of 'farming' and particularly 'farming as a business', and the realities facing beneficiaries at project inception.** The starting point for planning is too often premised on the question, What can be done on this land? Instead, a useful starting point for planning, which would foreground the profile, needs, aspirations, resources and priorities of beneficiaries would be: What livelihoods are beneficiaries pursuing already and how can this land support, secure and extend these? Commenting more broadly on land reform, Andrew et al. (2003:17) observe that:

*The use of newly acquired or restored land by resource-poor land reform beneficiaries tends to follow very conventional uses [similar to those] amongst resource-poor people in communal areas. These land uses include individual residential sites, communal grazing for individually or collectively owned livestock, small-scale low input cultivation for self provisioning (and sometimes*

*small amounts of income), and the use of natural resources for basic household needs... Households do not subsist off these land-based livelihood strategies, but use them to supplement off-farm incomes.*

**The case studies indicate that restitution project planning is driven by an emphasis on minimising changes in the use of the land, rather than maximising the change in the livelihoods of beneficiaries.** This review indicates that there have been some missed opportunities to *increase* the livelihood impact of land reform by promoting changes in land use. Rather than minimising changes to land use, land reform presents an opportunity to explore and actively support alternative scales, purposes and technologies of production.

**Business planning has tended to focus on agricultural potential (what is the land good for?), and relatively little on the production environment – the range of accessible markets, available skills, assets and capital of beneficiaries (what kinds of land uses or enterprises will work, given this context?).** The former, relying on forecasts of potential cash flow from COMBUD (commercial farming budget manuals providing financial information on the potential income from particular crops) and other technical sources of information, has obscured the latter.

**The case studies corroborate previous findings that attempts to regulate land use through business plans have been largely unsuccessful in land reform.** This study supports the assessment that business planning has tended to prioritise internal consistency and cash-flow projections, to satisfy officials, rather than providing a practical basis from which beneficiaries can act. As Andrew et al. (2003:19) argue in a review of land use in land reform projects:

*The plans are often nothing more than a statement of potential commercial use of the land, based on the activities of the previous owner, drawn up by consultants or implementing agents rather than the communities themselves, although there is usually some consultation with the beneficiaries. ... Few if any beneficiary groups adhere to these plans, and many find that in practice it is not possible to adhere to them (Andrew et al. 2003:19).*

This does not suggest that planning is unnecessary, but that the manner in which it is done, and the priorities that drive it, require attention. Experience to date shows that the extent of facilitation and coordination required to make restitution projects work has been typically underestimated. This suggests that more priority needs to be placed on skilled facilitation and support of community decision making, determination of development priorities and settlement choices, production plans, and institutional arrangements.

Larger budgets will be needed to secure these skills, and to ensure continuity in institutional roles over time. The turnover of staff within key institutions, specifically the RLCCs, has been cited as one reason why, despite budgeting for this purpose, this support has not been forthcoming.

One option is to move many of the activities that have been classed as 'post-transfer' into the pre-transfer planning stage. These include land-use planning, subdivision, infrastructure development, allocation of substantive land rights among members, and settlement development. For instance, MOUs have been secured among agencies prior to the settlement of the claim – as in the case of Covie (Conway & Xipu 2006). The key drawback with this approach is that it will delay the settlement of claims.

**A common feature of the case studies presented here is that socio-economic differences within claimant communities – in terms of ownership of livestock and access to off-farm sources of income – have been reinforced.** As beneficiaries are exposed to the costs of participating in a project – risk, start-up costs, transport and the opportunity cost of pursuing other activities – socio-economic differences become more apparent. The better off among a group of beneficiaries may be able to move ahead with production even in the absence of external support, and in this way monopolise the scarce resources available to the group. This is evident at Zebediela, where the more educated and vocal leadership were able to get jobs in management. Elsewhere, it appears that wealthier cattle-owning men who had transport were able to allocate themselves grazing camps, while others in their CPA were too poor to get access to their land because they had no transport. Differing priorities are evident both within, and between, projects: some projects, and some participants, are explicitly motivated by an interest in generating profits for reinvestment in order to generate a commercial enterprise, while others are motivated by the need to have a secure place to live, to build up a stock of wealth in the form of livestock, to improve household food security, or to rebuild community.

**HIV/Aids has not been a prominent consideration in thinking about how land reform is to improve livelihoods.** Land reform projects interact with long-term changes in livelihoods and vulnerability, such as the HIV/Aids pandemic. For instance, at eMpangisweni, where women constitute 80% of the employed labour force, 80% of all women tested in antenatal clinics were HIV-positive. Nowhere are the implications of this for future priorities for livelihood strategies and for land-use options taken into consideration by project planners and implementers. In considering the current livelihood strategies and future options for this community, the challenge of HIV/Aids cannot be ignored. The HIV/Aids mitigation literature suggests that a relevant question that must be addressed in policy is: What types of land uses should be promoted to improve the livelihoods of beneficiaries in a sustainable manner, that will strengthen their ability to withstand shocks, chronic morbidity (illness and physical weakness) and mortality of household members?

The importance of interrogating the impact of restitution and land reform more generally on the livelihoods of those intended to benefit cannot be overstated. These major programmes can achieve their goals of transferring land, spending budgets, and noting the thousands of 'beneficiaries' but, unless all of this results in improved livelihoods, land reform will not succeed. Restoring land rights must lead to development, or the injustice of dispossession will not have been undone. This will lay the basis for making the economic argument for land reform, and to do so by demonstrating that scaling up land reform and changing the ways in which rural land is used constitute an effective investment by the state, and by South African society as a whole, in pro-poor development and transformation.

To ensure that land reform constitutes the basis for improved livelihoods for beneficiaries, and a worthy investment for government, fresh perspectives in planning and practice will be needed. These are itemised briefly in the next section.



## 6. Recommendations

- **New ways of thinking about (and planning for) livelihoods are now needed:** Key to these is the need to find 'fit' between project design and the profiles of participants. For the poor, this means making risk mitigation a central element in all projects. Livelihood strategies for a population with a high incidence of HIV/AIDS require low-labour intensity production close to the homestead, crops that are resilient, low in input and high in nutritional value, and small livestock to supplement nutrition and provide a ready source of cash income, alongside long-term investments in larger livestock herds. There is also a need to structure short-term as well as long-term benefits. Over what time horizon are livelihood impacts expected? How does this inform decisions in the pre-settlement phase and planning for post-settlement support?
- **Planning must consider not only the agricultural potential but also the production environment:** As well as considering what the land is good for, attention must be paid to the existing livelihood structures and strategies of future beneficiaries, and the range of accessible markets, available skills, assets and capital that will be available to them. Then consideration must be given to what kinds of land use or enterprise will work, given this context.
- **Profile participants' socio-economic status and resource base:** This is a missing step in the project cycle which must be done at the project inception stage, to feed into project planning. This would also serve the purpose of establishing a baseline for impact assessment.
- **Prioritise land use and settlement planning in the pre-settlement phase:** Planning for how land will be used, on what terms, and by whom, and the necessary agreements to provide support for settlement (housing, services and infrastructure) need to be in place prior to concluding a settlement agreement (in the case of restitution).
- **Identify a lead agency to implement each settlement agreement:** This is the only way to ensure that institutional support does not fall between 'stools', between, for example, the RLCC, the DLA, provincial departments of agriculture and district and local municipalities. Invest in institutional capacity within these lead agencies and attach resources to their role in supporting implementation of restitution and other land reform projects.
- **Differentiate between ownership, management and use:** There is a need to differentiate between different units of ownership and management, according to the intended use. In particular, land-use planning should consider the subdivision of restored land into smaller units for different, dedicated and agreed-upon purposes.
- **Be strategic about strategic partnerships:** Build in tangible and immediate benefits for claimants and buy in independent legal, economic and agricultural expertise to advise them on available options and their implications. Promote own use for claimants or new owners, alongside strategic partnerships, in order to enable them to pursue diversified livelihoods, and to reduce their reliance on dividends or employment which may take time to materialise.
- **Prioritise options for direct access to land for livelihood purposes:** This is almost always less risky for poor households than relying on indirect (and uncertain) benefits from leasing out their land, from joint ventures or from large group activities.

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