State, Market and Community: 
The Potential and Limits of Participatory Land Reform Planning in South Africa

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Abstract

Market-assisted land reform, as promoted by the World Bank, has made little progress in South Africa: since the advent of democracy in 1994, just 4 per cent of white-owned agricultural land has been redistributed to black South Africans. Support for new land users has been limited and uneven in its reach, and yet beneficiaries have been required to follow business plans that emulate commercial farming. As a result, much redistributed land has been under-utilised and livelihood benefits for beneficiaries themselves have been limited.

This has prompted mobilisation by landless people and their allies in favour of new policy options, which would see greater state intervention in planning, land acquisition and production support. This in turn has forced the state to confront questions on which it has, up to now, been agnostic: which land should be acquired, where, for whom and for what? These questions are to be answered through a new area-based planning approach that involves specific plans for land reform at district level. This has seen the state for the first time determining the nature, location, purpose and target group for redistribution, rather than leaving these questions to the market. However, rural people themselves have already expressed fears that state planning is consultant driven and fails to take their needs and interests into consideration.

This paper explores the limits to both state- and market-led land reform approaches, and the potential of a hybrid that is founded on participation in decision-making by rural residents themselves. It describes an initiative to pilot a participatory approach in the Breede River Winelands district of the Western Cape. Here, the dualism of the agrarian sector is starkly evident: a
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high-value commercial farming sector, particularly deciduous fruit and wine, lies side-by-side with small-scale livestock and vegetable production by the poor, including evicted former farm workers. The question of who would define the plan for land reform, and how participation would be structured, is the focus of the paper. In the process, the paper explores conceptual and practical foundations for the World Bank’s conception of ‘community-led land reform’ in which rural people as drivers of their own development are required to act as entrepreneurs in an uneven market environment. Instead, the paper presents some guiding principles to inform participatory land reform planning, in which participation involves multi-faceted processes to amplify, analyse, negotiate and hear the voices of landless people, and not the abrogation of state responsibilities.

Keywords
land reform; agrarian reform; participatory planning; market led; community driven; decentralisation; South Africa.
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Introduction

The first democratic government of South Africa, led by the African National Congress (ANC), inherited many chronic problems arising from the legacy of colonialism and apartheid, including conditions of rural poverty and landlessness. It also faced an immediate political demand for land and for livelihoods – though more pressing in its agenda were the demands of the more vocal urban population for jobs and houses. This challenge arose from the ‘agrarian dualism’ that came to characterise apartheid South Africa: rural areas were divided between wealthy commercial farming ‘freehold’ areas dominated by a small number of white farmers and agribusinesses operating capital-intensive enterprises, mostly on a large scale, and the Bantustans under communal tenure where a third of the entire population were crowded onto 13 per cent of the land, in dispersed settlements with small arable allotments and communal grazing land. Agriculture is a means of survival for many, and a route to accumulation of wealth for relatively few. The ANC’s election manifesto set out a vision for an ambitious process of rural development to counter this dualism and to generate a new broad-based developmental path, the central driving thrust of which would be a land reform to secure land rights and redistribute access to 30 per cent of the land in the first five years alone in favour of the landless poor and emerging farmers.

Among those hoping to benefit from land reform were farm workers, small-scale farmers who had been restricted to overcrowded areas in the Bantustans with poor access to markets and limited infrastructure, people living in rural towns and the growing informal settlements around the farming districts, many of whom had been evicted from farms, as well as a small but rapidly growing black middle class. The rural poor and landless,
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created through decades of influx control and underdevelopment in the Bantustans, have been described as a ‘displaced proletariat’ who, caught between massive alienation from the land and the inability of urban industry to absorb them, are neither farmers nor aspiring to become a new peasantry, nor integrated into the urban economy. While some on the left – Marxists and the labour movement – advocate the absorption of this ‘surplus’ into the urban working class, this has become increasingly unlikely; since the advent of democracy, job creation in urban areas has been outstripped by the population growth, and unemployment levels have risen in real terms.

The high expectations of land reform generated in this early period of promises and political transition gave way by the end of the 1990s to the realisation that land reform was painfully slow. Market-assisted land reform, as promoted by the World Bank, had made little progress in South Africa: just 1 per cent of agricultural land had been redistributed by 1999, and about 4 per cent by 2008. Aggravated by the fact that the ANC had inherited a nearly-bankrupt state and adopted very conservative economic measures to achieve macroeconomic stability, priority had been placed on the purchase of land at market prices rather than on subsequent development; support for new land users has been limited and uneven in its reach, and yet beneficiaries have been required to follow business plans that emulate commercial farming. As a result, much redistributed land has been under-utilised and livelihood benefits for beneficiaries themselves have been extremely limited (CASE, 2006). Perhaps most remarkable is that an initiative as ambitious as this remains, on paper, entirely agnostic about the type of transformation it is to bring about. Entrenched as South Africa’s land reform is within the market-led agrarian reform (MLAR) paradigm advocated by the World Bank, it is not the state but ‘the market’ which makes the key
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decisions. In practice, this means that the landowning class has substantial control over which land will be redistributed – an effective veto on the transfer of land (Lahiff, 2007).

This paper explores the limits to both state- and market-led land reform approaches, and the potential of a hybrid that is founded on participation in decision-making by rural residents themselves. First it outlines the genesis of the market-led land reform undertaken in South Africa (and the critique of state-led reforms that informed it) and notes some of the foundational precepts informing this model. Next, in relation to South Africa’s attempts to redistribute land since 1994, it periodises a gradual and tentative process towards decentralisation in what I argue are three distinct phases – the last of which has opened up opportunities for greater participation at community level, though these opportunities have been largely untapped. Given widespread suspicion of top-down state-led development and in the face of the failure of market-led land reform to deliver at scale and to meet land needs, two visions for a ‘third way’ have emerged: the World Bank’s ‘community driven development’ model and what I term here as ‘proactive, people-driven, state-supported’ land reform. A pilot initiative modelled on the latter is briefly described in order to derive some insights into possible guiding principles for an alternative land reform process and different ways of conceiving of ‘participation’.
The new orthodoxy of the 1990s: market-assisted land reform

The two main progenitors of the market-assisted land reform (MALR) model, Klaus Deininger and Hans Binswanger, recall that the World Bank’s 1975 Land Reform Policy Paper embraced three guiding principles: an egalitarian asset distribution; owner-operated family farming as desirable on the grounds of both equity and efficiency; and ‘the need for markets to permit land to be transferred to more productive users’ (Deininger and Binswanger, 1999). While it embraced the need for land reform, it understood markets to constitute the most efficient mechanisms through which access to land would be regulated. Looking back over nearly 25 years, they argue that, while these guiding principles remain unchanged, through the 1990s the Bank came to recognise five further considerations that should guide future programming, namely:

[T]hat communal tenure systems can be more cost-effective than formal title, that titling programs should be judged on their equity as well as their efficiency, that the potential of land rental markets has often been severely underestimated, that land-sale markets enhance efficiency only if they are integrated into a broader effort at developing rural factor markets, and that land reform is more likely to result in a reduction of poverty if it harnesses (rather than undermines) the operation of land markets and is implemented in a decentralized fashion (Deininger and Binswanger, 1999:247).
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These provisos accommodated the need for redistributive reforms to broaden the base for economic growth with the ideological need to limit the role of states in transforming property relations – after nearly a decade of structural adjustment. Yet the foundational premise of the Bank’s position was unchanged: that state ownership and state-imposed restrictions on land sales and rental markets were costly and inefficient, and failed to bring about the equitable outcomes intended. While the Bank credited itself with bringing ‘land reform back on the agenda’ in the 1990s, to a large degree the evolution of its thinking has been to refine, rather than change, its 1975 position. Whereas the 1970s involved ‘a political context in which land was at the heart of a broader ideological struggle’, by the 1990s they claimed that ‘far-reaching macroeconomic reforms have removed distortionary policies, the ideological divide has narrowed or disappeared, and the need to tackle structural issues has greatly increased the demand for policy advice’ (Deininger and Binswanger, 1999:248). In this context, with the ideological spectrum firmly constrained, the World Bank was exceptionally well placed to revise and promote its model of market-led reform.

The market-assisted land reform (MALR) or market-led agrarian reform (MLAR) paradigm was energetically promoted by a small clique of policy advisors from the Bank across a number of countries in southern Africa and Latin America during the 1990s and, by the end of the decade, this approach had substantially informed the reforms underway in Brazil, Colombia, Namibia and South Africa. Others, including Malawi, were soon to follow. The market-led approach became the dominant model in some of these countries, not because of its inherent merits, but because of conditionality or political pressure and the rising political costs of state intervention.
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A core feature of the market-led model is that land reform would be highly decentralised, as the state would not plan and implement, but would merely facilitate market transactions between ‘willing buyers’ and ‘willing sellers’. The state would provide small grants to eligible applicants to enable them to purchase land on the open market, and would assist in the planning of projects and provision of certain settlement infrastructure (World Bank, 1993). Rather than being ‘targeted’, beneficiaries would self-select themselves and identify the land they wished to purchase; in this sense, the model is ‘demand-led’. The state, then, is not to make the core decisions of what land and which people to target in its programme of redistribution; instead, the market will determine the outcome.

As Borras (2003) demonstrates, the evolution of the market-based model of land reform was in direct reaction to explanations by neo-classical economists in the Bank and elsewhere for the experience of state-led land reforms (see Table 1 below). The critique centred on three inter-related arguments: that state-led land reforms were costly and inefficient; that they failed to allocate land and production opportunities to the most productive land users; and that they created unnecessary political opposition by using coercive measures against landowners (Borras, 2003; Deininger andBinswanger, 1999; Perreira, 2005). While some of these arguments may appear somewhat technical, what is under dispute in the debate between proponents and critics of the market model for land reform is the intensely political question of the redistributive role of the state (Perreira, 2005).
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#### Table 1: Key features of state- and market-led approaches based on the pro-market explanations

<table>
<thead>
<tr>
<th>Issues</th>
<th>State-led</th>
<th>Market-led</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting access to land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition method</td>
<td>Coercive; cash-bond payments at below market price</td>
<td>Voluntary; 100% cash payment based on 100% market value of land</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>Supply-driven; beneficiaries state-selected</td>
<td>Demand-driven; self-selected</td>
</tr>
<tr>
<td>Implementation method</td>
<td>Statist-centralised; transparency and accountability = low degree</td>
<td>Privatised-decentralised; transparency and accountability = high degree</td>
</tr>
<tr>
<td>Pace and nature</td>
<td>Protracted; politically and legally contentious</td>
<td>Quick; politically and legally non-contentious</td>
</tr>
<tr>
<td>Land prices</td>
<td>Higher</td>
<td>Lower</td>
</tr>
<tr>
<td>Land markets</td>
<td>Land reform; cause and effect? aggravates land market distortions; progressive land tax and titling programme not required</td>
<td>Land reform: cause and effect of land market stimulation; progressive land tax and titling programme required</td>
</tr>
</tbody>
</table>

#### Post-land transfer farm and beneficiary development

<table>
<thead>
<tr>
<th>Programme sequence; development and extension service</th>
<th>Farm development plans after land redistribution: Protracted, uncertain and anaemic post-land transfer development; extension service statist-centralised = inefficient</th>
<th>Farm development plans before pace of redistribution: Quick, certain, and dynamic post-land transfer development; extension service privatised-decentralised = efficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit and investments</td>
<td>Low credit supply and low investments</td>
<td>Increased credit and investments</td>
</tr>
<tr>
<td>Exit options</td>
<td>None</td>
<td>Ample</td>
</tr>
<tr>
<td>Financing</td>
<td>State ‘universal’ subsidies; sovereign guarantee; beneficiaries pay subsidized land price; ‘dole-out’ mentality among beneficiaries</td>
<td>Flexible loan-grant mechanism; co-sharing of risks; beneficiaries shoulder full cost of land; farm development cost given via grant</td>
</tr>
<tr>
<td>Cost of reform</td>
<td>High</td>
<td>Low</td>
</tr>
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</table>


However, and contrary to the claims of its promoters, what rapidly became clear was that market-reliant land reform was slower than anyone – either its proponents or its critics – had anticipated. Not surprisingly, the disputes over how to interpret the very disappointing performance of these programmes reflected entrenched ideological positions, with the Bank’s
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progenitors of the model arguing that the primary flaw had been its overly-bureaucratic and centralised implementation by ‘nanny’ states (Deininger, 1999; Van den Brink, 2005: pers. comm.). Reviewing the early experiences of Colombia, Brazil and South Africa, Deininger confirmed this perspective, observing that: ‘The only way to effectively coordinate the entities involved in the process is through decentralised, demand-driven implementation’ (Deininger, 1999: summary findings).

The contradictions of the model in its South African incarnation were most acute, aggravated by the racial disparity and mistrust between owners and would-be beneficiaries; the rapid rise in agricultural property prices which was not matched by increments in levels of state support; and, indeed, the highly centralised and bureaucratic approach to its implementation. The South African case therefore provides a particularly vivid lens through which to explore the ways in which the market-led model reproduced many of the features of a state-driven land reform – features it was intended to resolve – and prompted the need to explore alternatives to both.

Tentative moves towards decentralization

Land reform in South Africa has been an immensely centralised undertaking, under the direction and control of a national Minister and a single national Department of Land Affairs (DLA). The contradictions and bureaucratic problems evident in this approach have, over time, forced some shifts in implementation modalities, involving a degree of decentralisation but without fundamental shifts in the roles of the state, market and community.
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More recent attempts at local land reform planning offer opportunities – largely untapped so far – for participation.

I argue that there have been three distinct eras in this gradual and ambivalent process towards decentralisation. First, the early period of land redistribution from 1995 to 1999 can be characterised as an era of ‘centralised redistribution’, as land redistribution was wholly controlled by central government, from its administrative centre. Second, 2000 to 2006 can be termed a period of ‘deconcentration and delegation’, in which responsibilities for delivery and control over the disbursement of funds were delegated to provincial and district offices of the national department. Third, a new thrust towards ‘decentralised planning’ from 2007 has involved a new territorial or ‘area-based’ planning approach to be implemented at district level – but still overseen by a national department. Each of these phases is discussed briefly below; in relation to each, it is argued that decentralisation has been motivated primarily by concerns to speed up delivery rather than to broad participation.

Centralised redistribution: 1995–1999

Land reform started out slowly in a piloting phase through a series of presidential lead projects as part of the Reconstruction and Development Programme (RDP), while national level policy was still being developed. The national Land Reform Pilot Programme consisted of a small handful of farm-level projects (43 of them by mid-1997), intensively overseen by a small national Department of Land Affairs (DLA). The DLA was itself in the midst of a tumultuous transition, having inherited apartheid bureaucrats, and it was riddled by internal mistrust while busy recruiting a new cadre of activists and academics from within the ANC, from non-governmental organisations (NGOs) and from international bilateral development partners (McIntosh et
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al., 1999:9). The pilots were implemented through partnerships with NGOs – which is where many of the new bureaucrats had been recruited – as well as by consultants, closely overseen by officials from this national office.

From its inception and for the coming 12 years, the only unit of planning would be the ‘project’, usually coterminous with a single agricultural property – a commercial farm offered for sale by its owner. This proved to be expensive and time-consuming and, from expenditure data, it seems that for the first four years of the programme, it cost more (in terms of the current budget for institutional overheads and operating costs) to deliver land than the cost, at market price, of the land itself and related capital costs, paid in the form of land acquisition and related grants (National Treasury, 1999). This turned out to be an immensely planning-intensive approach, unlike elsewhere in sub-Saharan Africa where major resettlement schemes such as in Zimbabwe in the 1980s had involved bulk acquisition of contiguous parcels by the state, allowing for economies of scale in planning as well as the redrawing of boundaries to make possible smallholder plots for household cultivation alongside commonly held grazing land and/or cultivation in joint or cooperative enterprises (Cliffe, 2007). However, the Zimbabwean model was made possible through state planning that turned out to be top-down in character, highly centralised and unresponsive to the variation in local land needs and livelihood strategies (Alexander, 1994).

In contrast to Zimbabwe, the result of the South African approach was a ‘patchwork picture’ of resettlement. Across the country, a spattering of projects in each province lacked the means to invest adequately in production or to access extension and other services. More than half of the land transferred was in the semi-arid Northern Cape, where poor quality land was cheaper – not necessarily where the demand for land was most
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acute. The requirement of ministerial approval for each project aggravated the slow pace of delivery; elaborate ‘route forms’ requiring approval signatures from provincial officials all the way up to the Minister took an average of 336 days in 1996, dropping to 152 days by 1998 (McIntosh et al., 1999:55). Meanwhile, misalignment with its counterparts in Agriculture, and the chronic absence of agricultural support, led to ‘mission creep’ for Land Affairs. Large group projects underlined the demand for settlement and social infrastructure. Yet the bifurcation of ‘land’ and ‘agriculture’ into separate departments and, initially, even into separate ministries, only added further complexity and institutional (and sometimes political) misalignment. While Land Affairs is a national competency, with one national department, Agriculture was defined as a ‘concurrent competency’, in which a national department defines legal and policy frameworks, but implementation is driven and priorities defined by provincial departments, under the political leadership of provincial ministers and with funds allocated by the provinces themselves.

Recognising many of these challenges, one of the core recommendations of the final review of this first phase was that:

... the emphasis should be on the deconcentration of ... roles to a District Level, and that the large bureaucracy (sic) in Pretoria should be reduced considerably. Large centralized bureaucracies like the Department of Land Affairs tend to generate varied bureaucratic interests which tend to feed off themselves and are not as well geared towards servicing delivery at a local level as they should be. (McIntosh et al., 1999:ix)
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Deconcentration and delegation: 2000–2006

In line with the recommendations of the review, the next period saw an initial thrust towards the decentralisation of delivery, named Project Mutingati (literally meaning ‘pulling together’ in Tshivenda). This involved the creation of district land reform offices (DLROs) to work with the already established provincial land reform offices (PLROs), both of which remained agents of the national government department. In addition, as the new Land Redistribution for Agricultural Development (LRAD) programme came online in 2001 and was geared towards helping emerging commercial farmers as well as the rural poor, authority to approve land acquisition grants was delegated to DLA provincial directors in the PLROs. At district level, DLA offices were to coordinate with other state agencies through bodies convened specially to review and approve land grant applications – variously named district assessment committees (DACs) or district screening committees (DSCs). These bodies were to include in their membership officials not only from Land Affairs, but also from provincial departments of agriculture, and sometimes also district councils and civil society representatives – though actual practices varied widely across provinces (Jacobs et al., 2003).

Among the outcomes of these changes in implementation was, undoubtedly, an improved ability to spend budgets, which became evident by 2002. After years of chronic under-spending by as much as 40 per cent of the land budget, giving larger grants to fewer people proved a ready solution, and the amount of land being transferred and money being spent rose sharply. In almost all respects, though, land reform continued in parallel to the newly reformed local government structures. Under the Municipal Structures Act 117 of 1998 and the Municipal Systems Act 32 of 2000, local government had not only acquired new jurisdiction – and for the first time
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had responsibility for rural areas – but had also acquired a ‘developmental mandate’. Each municipality was constitutionally obliged not merely to deliver services, but to ‘structure and manage its administration, and budgeting and planning processes, to give priority to the basic needs of the community and to promote the social and economic development of the community; and participate in national and provincial development programmes’ (RSA, 1996: Section 153). These laws obliged municipalities ‘to make provision for the poor and previously dispossessed’, insisted that ‘communities that have an interest in the decision-making process have a right to participate in that process’ and that ‘development should occur within the context of an overall plan’ so that random and ad hoc decisions are avoided (Hall et al., 2007:3) – a requirement of integrated planning through cooperative governance with other spheres of the state that was quite at odds with the laissez-faire approach to land reform. Nevertheless, land reform barely featured, if at all, in local plans or budgets (Hall et al., 2007) and Land Affairs continued to plan only at the level of the ‘project’, as before (Cliffe, 2007). Unsurprisingly, the department now faced complaints that, by planning new settlements, it was determining local economic development – the proper function of local government – and riding roughshod over municipalities’ spatial development plans.

In short, then, many of the supposed benefits of the market-led approach simply did not materialise; if anything, this unwieldy process was both market-dependent and bureaucratically constrained – possibly the ‘worst of both’ worlds (Lahiff, 2007). While landowners could hold the process hostage by refusing to sell, the failure to use opportunities that did exist in the market – mostly because of lengthy delays in concluding sales and paying out sellers – meant that land reform proceeded very slowly alongside vigorous market activity.
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While designed as a market-led programme, land reform in South Africa has combined aspects of a state-led land reform (characterised by bureaucratic control) and a market-led land reform (requiring that land be bought from willing sellers at market prices) ... Increasingly, practitioners inside and outside of government are calling for more holistic interventions driven from the local level, which would acquire and transfer land in response to the scale and nature of local needs. (Hall et al., 2003:25)

Most of all, the notion of ‘self-selection’ by beneficiaries – as defining the ‘demand-led’ cornerstone of MALR – came under fire. The only expression of demand recognised by the state was the submission of land grant applications, and those most likely to succeed in getting this far were those with assets, education, transport, political networks, and ready cash with which to pursue their applications for state assistance – a process that frequently took a matter of years to complete (Jacobs et al., 2003; Wegerif, 2004).

In an apparent about-turn after years of defending this failing model, at the National Land Summit in July 2005 the South African government acknowledged for the first time that the market approach to land reform was a key impediment and that the ‘willing buyer, willing seller’ formula would need to be revisited.

With the exception of Agri South Africa (AgriSA), representing the established commercial farming sector, there was consensus on rejection of the willing buyer, willing seller principle, and a call for the state to become the driving force behind land redistribution. The alternative to willing buyer, willing seller was “proactive acquisition by the state in response to identified needs, through negotiated purchase and where necessary
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_“expropriation”. There was a call for less bureaucratic processes and substantially increased resources to be allocated to the programme, including for staffing, to enable state agencies to engage in active negotiation with land owners and to expropriate land where needed. (Hall, 2005:624)_

Also at the Summit, a wide spectrum of rural communities, non-governmental organisations and other activist formations came together under the banner of an ‘Alliance for Land and Agrarian Reform Movements’ (ALARM) and demanded an alternative policy framework: not a state-led land reform, but a ‘people-driven’ and ‘state-supported’ land reform that would see less dependence on markets, more space for the rural poor to define their own priorities, and more intervention by the state in support of rural people’s formations and struggles.

The first step towards ‘proactive’ land acquisition came soon afterwards, in 2006. A Proactive Land Acquisition Strategy (PLAS) allowed the state to buy land directly rather than disburse grants to applicants, and effectively provided carte blanche to the DLA’s provincial and district offices to spend their budgets to buy land to be held by the state – and to do so before identifying who the land was for. Officials pursued this task vigorously, calling meetings with local farmer associations and offering to buy land. The result, not surprisingly, was a flood of offers for properties for sale, often at inflated prices (Hall, 2008). This did not represent an abandonment of the programme’s market framework in favour of state intervention; rather, it involved the state becoming a more active market player. Having rapidly accumulated land on the open market, the state then faced substantial challenges in managing the land, and had to resort to employing the white farmers from whom it had bought as caretakers to manage the farms while the state looked for appropriate beneficiaries, and attempt to match people with their varied land needs to the land that had been bought. In the
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absence of either planning or participation, a supply-led approach of this kind, led by the state and using the market, seemed to make little sense; in the absence of any participation by local people in these decisions, officials simply had no basis on which to determine which land was needed for what purposes.

Decentralised planning: 2007 onwards

In response to the chaos of the ‘proactive’ strategy, and the absence of any criteria to determine which land should be acquired, ‘area-based planning’ (ABP) was introduced during 2007 with the aim of developing locally-specific land reform plans that would form part of the local ‘integrated development plans’ (IDPs) for municipalities. These would have to answer the question of what land should be acquired, where, for whom, and for what kinds of production. Ideally, such plans would be able to constitute a map for the future of land allocation, tenure and use. The advent of ‘area-based planning’ brought about a further degree of decentralisation, as it involved for the first time a focus on land reform at a district level – even though plans would remain substantially under the control of the central state. The first step taken towards ABP was an initiative by the DLA to develop a land sector plan for each of the 47 districts in the country and, within these, for each of the 231 local municipalities.

The area-based planning initiative marked a shift in two directions: towards more local and participatory processes to determine what kinds of land reform projects should be supported, and where, but also towards aligning the roles of national, provincial and local government in support of land reform. Regarding the latter, the department described ABP as ‘the fundamental tool for the integration and alignment of land reform with the strategic priorities of the provinces, municipalities and other sectors’ (DLA,
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2006). In a nutshell, then, locating planning at the local level and allowing substantial leeway and decentralised power to determine outcomes, would resolve both a bureaucratic and a political challenge; ABP would become ‘a platform for better intergovernmental relations and public participation’ (DLA, 2006).

ABP had its roots in territorial approaches to planning elsewhere in the world, notably Brazil (Quan, 2007), and, in South Africa, in the municipality of Makhado in the northern province of Limpopo where an area-based land reform initiative by an NGO, Nkuzi Development Association, led to a partnership with local, provincial and national government (Manenzhe, 2006; Wegerif, 2006; Yates, 2008). Elsewhere, some headway had been made to entrench land reform within the work of local government, often through the initiative of NGO activists in partnership with progressive local leaders (see for example BRC, 2007). The idea had been formulated and proposals developed by critics of the market-led programme, in which it was argued that an area-based approach would allow strategic and coherent state interventions that would go beyond ‘land reform’ to embrace planning for ‘agrarian reform’ by local people in partnership with the state (see Box 1 below).
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Box 1: Area-based land reform planning

The essential components of an area-based approach:

- districts or zones of both need and opportunity for land and agrarian reform are carefully selected and designated;
- government provides funds for and facilitates a transparent process of land identification and acquisition by groups and individuals;
- key decisions in relation to land use, systems of production and land tenure are made by the participants themselves, not by officials or consultants;
- a range of scales of production and degrees of ‘commercialisation’ on the acquired land should be allowed, and variable definitions and interpretations of the ‘viability’ of production should be accepted;
- the government undertakes district-wide or zonal planning for infrastructure and service provision, especially in relation to post-transfer support, including marketing of produce;
- planning for land and agrarian reform is made central to the processes leading to the formulation of Integrated Development Plans by local government bodies;
- state land is contributed to the process where appropriate; and
- a common set of legal instruments and administrative support structures would enable the integration of land redistribution and tenure reform; in some areas restitution projects would benefit as well.

Source: Cousins, 2007:233-4

The original idea behind area-based or territorial planning was an approach that ‘matches supply of and demand for both land and support services for land-based livelihoods’ and is ‘participatory in its planning and implementation processes, to draw on knowledge of both beneficiaries and other local-level actors’ (Cousins, 2004). A territorial approach would go far beyond choosing which land to buy, but would acknowledge that concentration of control and ownership of land forms the basis for unequal power relations that permeate all aspects of local economies and social relations; participation holds the potential to locate land reform at the centre of wider transformation, as those who are socially and economically excluded engage in envisioning a different economic dynamic in their area – in short, agrarian transformation. Yet, in the hands of state planners, this became morphed into another form of market-dependence: instead of investing in participation by local residents, the entire process was
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contracted out to private consultants – and obligations to consult with a range of different (and often opposing) interest groups were passed on to them. Terms of reference for these consultants require that:

_The planning process will need to involve an **extensive focused consultation** and public participation process, and representative structures must include, amongst others, land and agricultural based NGO’s, CBO’s, organised agriculture, commodity organisations, and Business._ (DLA, undated [2007]:8)

Although decentralised, ABP does not in its current form appear to offer a route to greater participation, particularly by the rural poor who hope to benefit from land reform. This arises from a structural problem inherent to the design of the approach: private consultants, many of whom are town planners with little, if any, experience in land reform, are contracted by national government and therefore have no downward accountability. Instead, the process has tended to be wholly consultant driven and inaccessible to local people (Andrews et al., 2008). Upward accountability, too, is limited as consultants are given no substantive policy guidance on the direction or emphasis for land reform, or what it is to achieve. The only firm instruction to consultants is the goal of finding a way to transfer 30 per cent of agricultural land in each district, on the presumption that land needs will always be met locally. Cliffe (2007) points out that this may well not be the case: the national target is unlikely to correlate neatly with actual needs. Land needs vary substantially and the need may be less acute in some areas, while much more than 30 per cent may be needed elsewhere. It is therefore also doubtful that it will always be feasible to meet land needs locally, not least because of the overcrowding in some regions arising from the Land Acts, Bantustan policies and influx control.
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ABP has brought the state (and its consultants) back into planning in a manner never envisaged in the market-assisted model of land reform. However, in the absence of national policy guidance on what types of production, what needs and what people, are to be prioritised, without substantive guidelines from the state, or accountability to communities, national outcomes of this major process of redistributing land are to be the accumulation of district-level plans which, without participation in their creation, are very likely to be contested. Decentralisation of the market model, even with more state planning, has not yet, it seems, presented opportunities for real community participation in determining the path of land reform.

Seeking a way out of the impasse

The limits to South Africa’s version of a market-led programme has precipitated a striking degree of convergence between market proponents who argued that too much top-down, centralised, bureaucratic control and red tape had impeded progress and resulted in inappropriate planning and project design, and the landless groupings who complained of being mere objects of state planning and demanded that their voices be heard. But this apparent convergence is immensely superficial and goes no further than agreement that state control has been part of the problem; the cleavage that remains is whether this is due to too much planning or too little – and whether the state should become more responsive either to land markets or to the landless. What follows is a brief description of two competing paradigms that have recently emerged as proposed ways forward out of the ‘impasse’ of land reform in South Africa: community-driven development, as
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advocated by the World Bank, and participatory action research, as piloted by some civil society organisations in partnership with community-based and small farmer organisations.

Community-driven development

Since about 2002, the main author and proponent of market-assisted land reform, Hans Binswanger, had advocated ‘community-driven development’ (CDD) as the most appropriate approach to implementing this model. Binswanger was senior advisor at the World Bank and formerly the Chief Agricultural Research Specialist who spearheaded the Bank’s mission to South Africa in the early 1990s to advise the incoming ANC government on land and agricultural policies (see Williams, 1996). This new paradigm, CDD, can best be described as an ‘integrated approach to local development’ – including, but not limited to, land reforms – in which decentralised sectoral programmes, local government, organised civil society and communities themselves come together to develop local plans for development (Binswanger and Nguyen, 2004:7).

Five components of the CDD approach are empowering communities to identify problems and solutions; empowering local governments through administrative and fiscal decentralisation; reforming central government to accommodate the principle of subsidiarity; improving downward accountability of local government and service providers to communities; and developing capacity among communities and local government (Binswanger and Nguyen, 2004:9–10). A central tenet is that communities will be empowered if they can control funds with which to engage in market transactions: ‘Communities will be truly empowered only if they get untied grants, which enable them to decide their own priorities and hone their decision-making skills’ (Binswanger and Nguyen, 2004:9). The way to
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develop ‘capacity’ among communities seems to operate on a similar basis: matching grants (i.e. public or private sector funds to match communities’ own resources) can be made available for communities investing in their own capacity, and government would need to play a role in the training of communities ‘for taking on its “white collar” planning, facilitation and regulatory roles’ (Binswanger and Nguyen, 2004:10).

Moreover, as giving voice to local people will enhance participation, greater participation in all projects and programs will improve the voice of local people. Decentralization must hence go all the way to the grassroots. In order to achieve this transparency and responsiveness, CDD should be coordinated by the lowest level of local governments which usually covers no more than a few tens of thousands of people, and where the development actors know both the problems of the local government area as well as each others (sic). Monitoring and evaluation must be a highly participatory process both at the community and local government level (Binswanger and Nguyen, 2004:10).

CDD rests on attractive ideas, such as the principle of subsidiarity and bottom-up people-centred development (Binswanger and Aiyar, 2003). Yet three conceptual and/or practical problems can be identified in the CDD approach.

First, the CDD paradigm elides complexity and heterogeneity, inequality and competition, within communities. While the poor are expected to be sussed market agents in interactions with the outside world, this same logic doesn’t apply ‘within’. Hierarchies of power – gender, class, generation, and multiple other dimensions – that can be expected to shape outcomes: ‘community’ and ‘household’ are dense and problematic concepts, yet are treated uncritically as unified rational actors.
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Second, and in view of the first point, solving a planning problem by transferring resources to poor and unequal ‘communities’ to determine the future of their development directly opens the way for elite capture. With the state’s role further circumscribed, this leaves little scope for any actor to mediate the exploitative relationships within poor communities or between them and the challenges ranged about them – wealthy farming and political elites hostile to their land needs, inopportune market environments with barriers to entry for small producers and the poor, and value chains that press ever downwards on farmgate prices. The conception of the relationship between ‘community’ and its context ignores the widely recognised problem that ‘decentralisation can make redistributive reforms more difficult if landed elites dominate locally’ (Meinzen-Dick et al., 2008).

Third, rather than offering a more progressive alternative to MLAR, the CDD approach appears to take this model to its logical conclusion: the state’s role dwindles nearly to nothingness, as it becomes merely a disburser of funds, while the rural poor, as self-activated and entrepreneurial agents, engage robustly in the market, obtaining for themselves the best possible deal by securing the services of professional planners, conveyancers and others. Landless poor communities are conceived of as something of a proto-company in the manner in which they are to navigate ‘the market’ to buy their own development. Far from presenting a trajectory different from market-based land reform, then, CDD appears to be market fundamentalism writ large and legitimated through the discourse of ‘community’ and ‘participation’. The suspicion of state planning in the acquisition and transfer of land, and direct state support for investments in production and marketing, are taken to the extreme in this version of bottom-up development.
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In South Africa, influenced in part by the CDD approach, perhaps, but also by a desire to scale up transfers of land despite the institutional limitations of the DLA, this unbundling of state roles towards a combination of ‘community’ and private sector actors is being energetically pursued. As the state attempts to share the burden, there are moves toward the privatisation of implementation to accredited agents who will be accountable to national government – but also to their shareholders or other donors. What accountability they will have to landless communities remains to be seen but, for now, this seems to resolve one problem by creating another.

Piloting participatory, people-led and state-supported reform

In response to the limitations of the market-led programme – and skepticism about state-led planning – three organisations came together to pilot an alternative land reform planning process that would be based on participatory action research and spearheaded by poor and landless people in one local municipality. The aims of the pilot were twofold: first, to develop a land and wider agrarian reform plan for the area, and second (and in the process), to support the organisation of the rural poor around their own alternative vision for the area. Instead of waiting for government to deliver land, and competing with one another for limited state grants, poor people would take the lead in articulating their needs and aspirations and devising a plan that would be presented to government as an outline of the type of land reform, and related changes, that were needed.

The pilot was conducted from late 2006 to early 2008 and the area chosen was the Breede River Winelands, a prosperous fruit and wine region in the Cape Winelands less than two hours from Cape Town, and home to about 80
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ooo people. The notion that decentralisation by itself promotes participation is questionable: ‘It is conceivable, even likely, that power at the local level is more concentrated, more elitist, and applied more ruthlessly against the poor than at the centre’ (Griffin, 1980:225, cited in Borras, 2003:390). This is certainly true in the racially polarised (and enormously unequal) setting of the picturesque Cape Winelands, and it was to counteract the local voices clamouring for a restricted, elitist and commercially-focused kind of land reform that this pilot was undertaken. The three organisations leading it were a local small farmers’ association, called the Mawubuye Land Rights Forum, whose members were largely landless livestock owners living in the townships and informal settlements surrounding the small farming towns in the area; a non-governmental organisation called the Trust for Community Outreach and Education (TCOE), whose work has been largely focused on community organising and democratising local governance rather than land reform per se, but is also concerned with food security and food sovereignty; and the Programme for Land and Agrarian Studies (PLAAS), an applied policy research institute at the University of the Western Cape.

The participatory action research was intended as a way to develop a shared understanding of existing livelihood strategies among the poor and the role of access to land and agricultural production in these – both among those who depended directly on agriculture as small farmers, farm workers or workers in up- and downstream industries (particularly the fruit canning industry) and those who did not. It was also intended to enable residents to interrogate patterns of accumulation and economic exclusive, and to inform options for future production and settlement patterns, on the basis of an appreciation of the varied nature and extent of the expressed demand for land. Methods employed included a household survey conducted by local activists in all the townships and informal settlements in the area, as well as
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among farm workers living on farms; a series of focus group discussions with women, youth and small farmers; a study of the livelihoods and economies of small farmers; desktop research drawing on existing census data and local development plans; key informant interviews with local councillors, farmers and business leaders; an economic study into trends in commercial farming; and industry-specific investigations into patterns of production and investment in the three main commodity sectors – wine, fruit and dairy.

A third aim, hastily acknowledged while the study was underway, was to influence the formal government-sponsored ABP process, for which consultants were appointed in mid-2007. Consultative events were held only once the overall framework had been established, and formal organisations, none of whom were membership-based organisations based in the area, were invited. Although the pilot predated the start of the government-sponsored ABP process, and ran somewhat parallel to it, the two processes were quite different and, unsurprisingly, have produced quite different visions and plans for the future of land reform in this area.

The findings of this pilot have been reported elsewhere (Andrews et al., 2008). Perhaps the most remarkable finding worth mentioning here was the substantial extent to which those considered to be the ‘urban poor’ in this farming district were in fact engaged in agricultural production of their own, often illegally on state land, on rocky hillsides and alongside the main roads, as well as in their backyards. In these ways, a sizeable proportion of people were growing some food (22 per cent) to supplement bought items, for household consumption, or were keeping livestock (14 per cent) as an investment, a store of wealth, and as a source of meat and milk for their own consumption. One of the main achievements of this process was to make visible the already existing production by the poor and landless that
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had never been acknowledged by government, and was wholly ignored in local development planning. A second significant finding was the very widespread demand for land, primarily for production of food for both household use and for local sale, but also the very highly differentiated types and extent of land needs. This suggested the possibility of a pattern of production quite different from the existing structure of commercial farming. A third finding was a clear correlation between the amount of land people wanted and its location. The overwhelming demand (among 77 per cent of those surveyed) was for small parcels of land of one hectare or less very close to where people live, on the urban periphery, while a very small minority who wanted larger parcels and envisaged farming as their primary livelihood occupation were more likely to be prepared to relocate and to live further from urban infrastructure: just 5 per cent of those wanting land wanted 10 hectares or more, and just 2 per cent wanted 50 hectares or more (Andrews et al., 2008). Through a series of facilitated workshops and smaller meetings, the shape of an alternative land reform plan started to emerge: a fourfold typology of providing opportunities for access to land, ranging from small allotments for cultivation close to people’s homes; secured access to (expanded) commonage land for livestock owners; cooperative ventures for small groups of part-time farmers within a five kilometre radius of the towns that would enable people to continue to pursue town-based livelihood activities as well; and, further out, medium-sized commercial farms for aspirant independent commercial farmers.

Instead of poor people competing with one another on uneven terms for small grants with which to buy expensive land, the participatory process drew people together to dream – and then plan – for an alternative set of production and tenure regimes to accommodate their varied needs. The emphasis on collective planning and collective action also drew attention to
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common property resources, which had hitherto been ignored in the land redistribution process in this area. It involved the mobilisation of local people in defence of existing municipal commonage land, and in pursuit of its expansion. The PAR exercise found that the municipality was already a large landowner, holding a substantial hectarage of commonage land – and that it was engaged in selling off or attempting to transact and privatise these lands, ironically in the name of redistribution. It had, for instance, offered some of its commonage for sale for land reform. It had also sold some for a golf course and luxury housing development – a growing phenomenon in the area now being termed ‘lifestyle farming’. For poor people who want land, being part of a process to identify who owns what, and to discuss – and even map – their vision for an alternative distribution of land, was immensely empowering. It was also challenging, as they grappled to think through the implications of such a large-scale shift in land use and production for the local economy – and had to acknowledge the need to protect existing jobs and to combine new tenure and production regimes with those that already existed, in order to create a more mixed farming sector, more strongly linked into local small-scale industries.

This experience suggests that, while participatory planning for land reform by ‘the community’ may produce very different results from state-led or consultant-led planning, this avenue will be constrained unless the state finds ways to respond effectively to these participatory bottom-up plans. Whether or not this proves to be the case here remains to be seen. What the participatory pilot described above does show is the need to systematise thinking about land needs in relation to wider livelihood needs; and to forge alliances between locally organised people and government. Where possible, strong cooperation with local government is preferable; however, the intervention of central government may be needed to force through
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redistributive reforms at the local level, overriding vested interests and local authorities where necessary, in alliance with strongly participatory processes with local landless people, and their organisations where these exist.

In the same way that proponents of market-assisted land reform contrasted their model with state-led reforms, it is worth specifying some of the features of this evolving ‘community-led’ version of land reform. First, it is ‘people driven’ in that it is founded on participation at the local level, privileging the voices, needs, experiences and aspirations of the poor and landless, but also including other groupings. Second, it is ‘state supported’ in that local organisation, visioning and planning must feed into a responsive state programme if it is to be realised; mobilisation at a local level in pursuit of this vision can be combined with an alliance with local government and other spheres of the state. Third, unlike the CDD approach, while market opportunities may be used where these emerge, the process is not market-dependent. Fourth, unlike the market model, participatory planning at community level offers the opportunity to integrate thinking about the redistribution of land with broader questions of agrarian restructuring, including the future of investment, production and trade in the local economy (and beyond) and the implications for settlement patterns.

Table 2 (below) offers my initial attempt to schematically describe the features of this paradigm, and to contrast them to the market approach as it has been implemented in South Africa. This is a work in progress and, as the model is pursued in more districts of the country, this schema may need to be amended or further facets added.
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## Table 2: Market-led versus Community-led Land Reform

<table>
<thead>
<tr>
<th>Aspect of land reform</th>
<th>Market paradigm: willing buyer, willing seller</th>
<th>Community paradigm: people-driven, state-supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project initiation</td>
<td>Participants initiate (or sometimes landowners do) if aware of opportunities.</td>
<td>Participants initiate, but are assisted to formulate their demands within a wider district-based development strategy.</td>
</tr>
<tr>
<td>Land identification</td>
<td>Participants and DLA, on basis of publicly available information on land for sale.</td>
<td>Participants and various state agencies, on the basis of identified needs.</td>
</tr>
<tr>
<td>Acquisition</td>
<td>Contingent on willingness of owners to sell at prices offered; often delayed due to bureaucratic delays, sometimes leading to withdrawal of sellers.</td>
<td>Determined by planned priorities, targets and identified needs, and supported by a right of first refusal on land sales within designated areas. Not contingent on owners but negotiated where possible, with the option of expropriation being clearly communicated.</td>
</tr>
<tr>
<td>Transfer of title</td>
<td>Directly from seller to beneficiary</td>
<td>Could either be directly from owner to beneficiary, or a state or parastatal institution may hold title in a transitional period.</td>
</tr>
<tr>
<td>Size of landholdings</td>
<td>No incentives or mechanisms to promote subdivision of land; size distribution unchanged.</td>
<td>Proactive subdivision to make appropriate parcels available to match needs.</td>
</tr>
<tr>
<td>Land use and business planning</td>
<td>Outsourced business planning of individual projects, based in inappropriate assumptions of large-scale farming as the model.</td>
<td>Based on participatory needs assessment and aspirations, supportive of small-scale farming and facilitated through revamped state agricultural institutions.</td>
</tr>
<tr>
<td>Pricing</td>
<td>Based on market valuations but negotiated with sellers.</td>
<td>Coordinated and aggressive negotiating in order to meet identified and agreed targets.</td>
</tr>
<tr>
<td>Spatial impact</td>
<td>Ad hoc and spatially scattered pattern of redistribution.</td>
<td>Large-scale redistribution in designated areas. Spatially coherent.</td>
</tr>
<tr>
<td>Post-transfer support</td>
<td>No consolidated approach possible; limited resources and ad hoc interventions by a range of agencies, leading to inadequate but also uneven levels of support and isolation from local development planning.</td>
<td>Integrated pre- and post-transfer support planning initiated from time of designation, allowing timely improved resourcing for agricultural and settlement support, including subsidies for production, and coordination of agencies through a one-stop shop at district level.</td>
</tr>
</tbody>
</table>

Source: Hall, 2008 (forthcoming)
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Participatory land reform planning must be expected to be more difficult and costly than the current bureaucratic approach, yet it holds greater promise of both generating appropriate plans to respond to real needs and to integrating the redistribution of land within wider local economic development.

Conclusion

Who decides what kind of redistribution should take place, which land to target and where, what types of tenure arrangements and what types of production are to be promoted, how settlement will be affected, and perhaps most fundamentally, who should benefit? Within the market-assisted approach adopted by post-apartheid South Africa, the state had been wholly agnostic on these key questions. Neither the dominant ‘willing buyer, willing seller’ approach, nor the proactive acquisition strategy variant (in which the state is the buyer) provided any method for planning processes to answer these questions, or for landless people to participate in providing answers to them (Hall and Zamchiya, 2006). The recent introduction of ‘area-based planning’ made possible for the first time a local plan to guide what land should be acquired (Cliffe, 2007), but developing such a plan has remained a project of central government, implemented by consultants with no downward accountability and wholly inadequate mechanisms for participation.

The World Bank argued that its market-assisted model of land reform would reduce the administrative burden on the state, but in many ways the South African programme it so heavily influenced has turned out to be a highly unproductive combination of market-dependent (landowner-determined) and bureaucratically mediated (state-controlled) processes (Borras, 2003;
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Hall, 2004; Lahiff, 2007). The process has been heavily centralised, providing few opportunities for meaningful participation, but in recent years decentralisation has been embraced as one way in which to bridge the dazzling disconnect between policy frameworks and the provision of small land purchase subsidies, and the complex range of needs, resources and aspirations on the ground. This process of decentralisation has largely taken the form of deconcentration of implementation to the provincial and district level, and some delegation of authority and control over budgets to these local agents of the national government – but without devolution of power either to user groups or local state institutions. This means that decentralisation has proceeded without substantially increasing participation by the poor in determining the nature of the process.

While the crude caricatures of ‘state led’ and ‘market led’ set up an unhelpful dichotomy – and one that proved to be very misleading in practice – two alternatives now vie for the ‘third way’. Both would like to characterise themselves as ‘community led’, but this masks their very different conceptions of the relations between state, market and community. One approach is the ‘community-driven development’ paradigm that has been developed and advanced by proponents of the market-led approach, who argue that this is the way to make market-led land reform work. This paper argues that the outlines of what may constitute an alternative third way is emerging in the practice of activist organisations: an approach that promotes local level participation in determining the nature, priorities and outcomes of land reform, without abandoning the crucial role of the state in counteracting local elites and driving a process of transformation. This may best be termed ‘participatory, people-led, state-support land reform’.
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A potential strength of area-based planning is increased participation by local citizens, yet it has proven to be remarkably unparticipatory. It has been an almost entirely consultant-driven process, inaccessible to most poor and landless people. Despite these limitations, planning at a local level does present important opportunities: it opens the possibility of a coherent vision to guide a land reform process, and provides a focus for local activism – not least by those not accommodated in the plans. What has been missing is a participatory process driven by local communities – not in order to compete with one another and with richer market players, but to engage in a fundamentally political process: to organise and mobilise around their needs and demands, and to articulate at the centre of this mobilisation an alternative vision for land and agrarian reform: to affirm that, indeed, another countryside is possible.
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