

Land Reform in Post-Apartheid South Africa

A Case Study of challenges and opportunities for Land Reform Beneficiaries in the Western and Northern Cape Provinces

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Abstract

The differences caused by the Apartheid system have set its mark on the South African society and are still very evident through the separation of society according to colour, the uneven distribution of resources, but also through the extensive lack of trust in society in general. During Apartheid the white areas developed and had much of the resources, knowledge, corporations and property. The rural areas and the Homelands were poor and to a large degree dependent on employment from the white landowners and companies. Hence, one part of the population has well-established markets and organisations, while the former Homelands and rural areas are in need of assistance through grants, financing, education, training and so on. In 1994 the newly elected ANC government gave promise of 30 percent land redistributed back to the dispossessed in 5 years through an extensive Land and Agrarian Land Reform Programme. In 2005, 3 percent of the land had been redistributed (Gran 2006: 192).

It is against this context of persistent poverty among the previously oppressed in the rural areas and a clear failure of the land reform to perform as supposed at the outset, that this thesis sets out to explore communal problem-solving through the theories of nodal governance and social capital.

The primary research techniques applied in order to investigate this has been document analysis and qualitative interviews with a couple of main informants. Subsequently there has been conducted two case studies of land reform projects in South Africa; the Goodhouse community in the Northern Cape Province, and the Vuki Farm in the Western Cape Province. By use of the variables trust, networks and character of authority intervention, the thesis has attempted to identify characteristics of opportunities and challenges for these groups of land reform beneficiaries. The sole focus has been to investigate the possibilities to improve the delivery of land reform in the deprived rural areas of South Africa by focussing on the case studies and their relations towards the governance networks connected to agriculture in the New South Africa.

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List of Abbreviations

ANC: African National Congress

CASP: Comprehensive Agricultural Support Programme

CLRA: the Communal Land Rights Act 11 of 2002

CPI: Community Property Institution

CRLR: Commission on the Restitution of Land Rights

CSO: Civil Society Organisations

DA: Democratic Alliance

DLA: Department of Land Affairs

DoA: Department of Agriculture

ESTA: The Extension of Security of Tenure Act 62 of 1997

IPIIRA: The Interim Protection of Informal Land Rights Act 31 of 1996

LAPR: Land and Agrarian Reform Project

LRAD: Land Redistribution for Agricultural Development

LRC: The Legal Resource Centre

LTA: the Land Reform (Labour Tenants) Act 3 of 1996

NGO: Non-Governmental Organisation

NOCAL: Northern Cape Agricultural Linkages

OGS: Outcome Generating Systems

PLAAS: Programme for Land and Agrarian Studies

PLAS: Proactive Land Acquisition Strategy

RDP: Reconstruction and Development Programme

SLAG: Settlement/Land Acquisition grant

SPP: The Surplus Peoples Project

STC: Steinkopf Transformation Committee

TRANCRAA: the Transformation of Certain Rural Areas Act 94 of 1998

WSWB: Willing Seller-Willing Buyer

In SA, and across the African continent, land and resource rights of the rural poor are endangered by “inappropriate policies and institutions (including global treaties), unequal social, political and economic relations, the actions of powerful vested interests (wealthy national and local elites, international aid organisations, and multinational corporations), and the weakness of grassroots organisations (Saruchera and Odhiambo 2004:2).

Chapter 1: Introduction

Agricultural reforms and transformations has been the focus of several researches, especially when it comes to some European countries during the industrialisation. One subject of investigation has been related to why the north of Europe experienced more success in this transformation-period than the south, although both parts had more or less the same basis for development. Dieter Senghaas explained these differences with socio-structural and institutional prerequisites; although the industrialisation promoted development in Europe, a number of other factors within the distinct countries accelerated or prevented development in the agricultural sector (Senghaas 1985: 90). Some of the prerequisites Senghaas identify as decisive are: “an agrarian structure that did not impede agricultural development (few large estates, prevalence of medium sized farms open to innovation, eradication of village penury, openness of landowners and tenants toward institutional reforms and technical innovation)”(ibid: 90). Further, Senghaas recognize moderate inequality in distribution of resources, a high level of education, private enterprises willing to invest, politically organised peasantry, spread of technically innovation in all sectors, stable political framework, well-developed infrastructure and a distribution of income which facilitate macro-economically relevant saving directed towards productive investment, as important in successful development (ibid: 90). How countries approach these different issues will to a large degree determine how or if the country will develop when it comes to agriculture and distribution of land.

Land and agrarian reforms have generally been coloured by dramatic and sometimes violent adjustments. South Africa has made an effort to create a negotiated move from the previous Apartheid-regime to democracy. The Freedom Charter of 1994 states that “The land shall be shared among those who work it!” Hence, it comprised the previously oppressed and landless, but also the existing landowners of European inheritance (Hall 2004: 60). The ANC government further decided to impose a market-based redistribution of land; the “willing seller, willing buyer” (WSWB) principle. This standard has thus dominated the discourse on land reform since the first democratic election, and according to Edward Lahiff (2005) “it can be described as one of the defining characteristics of the programme, distinguishing it from most other land reforms around the world” (Lahiff 2005: 1). Consequently, the state does not actively identify land for redistribution or select the beneficiaries; the approach is demand-led. Those who want land have to identify themselves and apply to the state for grants (Hall 2004:

6). The process of redistributing land has been moving very slowly, some scholars argue that this is due to the very notion of the WSWB approach (Gran 1997: 16). Recognising the problem of slow redistribution and also in order to enable the land claimers to use their land profitably, there have been many attempts to initiate programmes to support the new landowners. Some programmes have contributed and others have failed, but none of them can be said to entirely have solved the problems facing the rural poor and landless in the rural areas of South Africa.

Consequently, the mentioned prerequisites identified by Senghaas as vital for effective for agricultural development and land reform, seems to be some of the main challenges in the South Africa. All though the new governments after 1994 have done several moves in order to support the poor rural citizens, South Africa is still a highly unequal country. Some research even finds that the differences within South Africa have increased since the first democratic election in 1994 (Webster & von Holdt 2005). I will in this document investigate the performance of land reform in South Africa by studying two land reform projects and through this try to identify challenges and opportunities in the South African land and agrarian reform programme.

Chapter 2: The New South Africa

2.1 Introduction

The Dutch East India Company first landed its settlers in South Africa, more precisely Cape of Good Hope, in 1652. These were the first European settlers in the country, most of them of Dutch origin. The settlers got known as Boers or Afrikaners, and as early as 1795 they tried to establish an independent republic. The British came to the country around 1815. As a result of their arrival and moreover their infiltration in the government systems and freeing of slaves in 1833, several Afrikaners made the “great trek” north and east, areas later known as the Transvaal and the Orange Free State. The discovery of diamonds and gold in the 1860s and 1870s resulted in increased immigration, which in turn led Prime Minister Cecil Rhodes to plan a takeover. His plan misfired in 1895, something that caused his resignation. On October 11th, 1899 a war broke out between the Afrikaners and the British; “the Boer Wars”. The Afrikaners’ victory in 1902 led to the transformation from a Boer republic to a British Colony, and the establishment of The Union of South Africa in 1910, where Louis Botha became the first Prime Minister. The African National Congress (ANC) was established in 1912, and was the first organised political activity among the Africans¹. Following Botha’s death in 1919, Jan Christiaan Smuts took over as Prime Minister. Smuts was one of the framers of the League of Nations Charter in the post World War I era, and “the very image of an enlightened leader” (Mamdani 1996: 4). He supported the principles of the French Revolution but opposed the application of these principles in an African context. He suggested that the Africans “was of a race so unique that nothing could be worse for Africa than the application of a policy that would de-Africanize the African and turn him either into a beast of the field or into a pseudo-European” (J.C. Smuts cited in Mamdani 1996: 5). Because of this, Smuts decided there should be an institutional segregation between the Africans and the European settlers. In his new policy he postulated that “The British Empire does not stand for the assimilation of its peoples into a common type, it does not stand for standardization, but for the fullest freest development of its peoples along their own specific lines” (J.C. Smuts cited in Mamdani 1996: 5). In order to achieve this “fullest freest development” Smuts also saw territorial segregation, or racial segregation, as a necessary move in order to preserve the institutional segregation. Because of the growing economy

¹ <http://www.infoplease.com/ipa/A0107983.html>

following industrialisation of the country, Smuts thought migrant labour to be a suitable way to preserve native institutions and to meet the labour demands at the same time. However, Smuts meant it was too late to implement this new policy in South Africa, because the urbanisation had gone too far. “The Broederbond”, an Afrikaner supremacist brotherhood, on the other hand, disagreed. This brotherhood argued that a stabilisation of the system of racial domination was urgent, and what Smuts had labelled institutional segregation, they named Apartheid.

Because of the already far proceeded urbanisation in South Africa, the segregation was particularly violent, and led to forced removals of those considered unproductive, and a forced migration between workplace and homeland for those labelled productive. This form of institutional segregation or Apartheid, where the natives were to rule through their own institutions in their own areas, had earlier been named “indirect rule” by the British. Mamdani, however, finds “decentralised despotism” to be more suitable (Mamdani 1996). In practise this form of segregation meant that the native South Africans were forced into “tribal areas” with “traditional leaders”. Moreover, the traditional leaders were either “selectively reconstituted as the hierarchy of the local state or freshly imposed where none had existed”(Mamdani 1996: 17). Besides governmental laws, there were also implemented a customary law that was to control and regulate the non-market relations, in families, in land and in community affairs. The territories in the homelands remained in communal or “customary” possession. Because the state was organised differently in rural and urban areas, the state may be called bifurcated or Janus-faced; it had two distinct forms of power but was gathered under a single hegemonic authority. The vision may be summed up in Cecil Rhodes’ famous words: “Equal rights for all civilized men” (cited in Mamdani 1996). The forced removals under the “Group Areas Act” in 1950 and 1986 further reinforced the segregation.

From the 1960s of, the black opposition to Apartheid intensified, and became stronger and more violent. In 1960 the biggest anti-Apartheid organisation ANC was banned, and four years later their leader, Nelson Mandela, was imprisoned for life. In 1976 a student-uprising in the Soweto-township outside Johannesburg spread to several other townships in the area and resulted in 600 people dying, many of them very young. Subsequently, the United Nations imposed sanctions and several countries boycotted South Africa due to their racist Government. In 1989 F.W. de Klerk took over following P.W. Botha as president of South Africa. He removed the ban on the ANC and released their leader after 27 years in prison. In

1994 South Africa held their first democratic election which resulted in a massive victory for Nelson Mandela and the ANC². In their election programme, the Redistribution and Development Programme (RDP) the new ANC government promised 30 percent land redistributed back to the dispossessed in 5 years. In 2005, 3 percent of the land had been redistributed (Gran 2006: 192).

2.2 Promises of Land Reform

When the ANC negotiated with the Apartheid government in the late 1980s, the redistribution of land was one of the areas discussed. They agreed that the land should be restored to the dispossessed, but there were ambiguity about whether it should apply from the arrival of Dutch settlers in 1652, the Natives Land Act in 1913 or the start of National Party rule, or Apartheid Rule, in 1948. They finally agreed on 1913, which meant that the people that were evicted from their land due to the Natives Act now could apply to get their land restored. For decades millions of black South Africans had been forcibly removed from their homes, in urban areas in terms of the Group Areas Act, and in the rural areas of the country in terms of the Natives Land and Trust Act in 1913 and 1936, in addition to the forced move of black people into the Bantustans or Homelands (Hall 2004: 1). The forced removal of South Africans from their homes and land went on for decades, and at the end of the Apartheid-rule almost 86 percent of the agricultural land were in the hands of about 60.000 white farmers, while over 13 million Africans remained in the deprived Homelands (Lahiff 2007: 1). The Land Reform in South Africa was meant to improve the situation especially for the rural poor by giving them access to land, and hence giving them the opportunity to enjoy benefits of agricultural growth.

With the transition to democracy with the ANC-led government in 1994, expectations were high that they would “effect a fundamental transformation of property rights that would address the history of dispossessions and lay the foundations for the social and economic upliftment of the rural and urban poor” (Lahiff 2001: 1). These hopes where further nourished by the Reconstruction and Development Programme (RDP) in 1994, which amongst other things promised to redistribute 30 percent of arable land within five years, and also make Land Reform the ‘central and driving force of a programme of rural development’ (ibid: 1). It

² <http://www.infoplease.com/ipa/A0107983.html>

soon became evident that the redistribution promise, and the time-limit the ANC set, was far out of reach.

2.3 Issues of trust in 'The New South Africa'

In the past decades there has been an extensive loss of trust in governments and bureaucracies across the world. The trend has been decentralisation of decision making “downward” to the local governments and “outward” to NGOs and private organisations (Briggs 2008: 10). With the WSWB-approach to redistribution of land and with the local municipalities and provincial governments as distributors of the reform, this is also evident in the land reform programme in South Africa. Xavier de Souza Briggs postulates that “trust is hard won and easily lost, especially where a history of inequality and resentments across ethnic or other social borders cast a shadow” (ibid: 11). There are apparent issues of trust between the different ethnic groups in the country after years of segregation both prior to and after the Apartheid-regime. A report from the Surplus Peoples Project (SPP) finds that racism and distrust within groups of white commercial farmers is one of the main reasons for the slow redistribution of land in the country. One farmer in Northern Cape expressed it quite clearly; “Not today, not tomorrow, never will I sell to non-whites!”³ Another group identified in the report by SPP is the white commercial farmers that are supportive to land reform but do not trust The Department of Land Affairs (DLA) and the emerging farmers. Moreover, talking to Mr. van Jaarsveld with the Ministry of Agriculture in the Western Cape, the issue of trust was discussed. He told me what he found to be main reasons for projects failing and he mentioned distrust as one of the factors; “I think one of the other things is that sometimes there’s a little bit of distrust because a lot of the officials are white officials. And you know, the question might arise, do these people really have our interest at heart” (Interview Mr. van Jaarsveld 17.07.2008).

For decades the poor rural areas were cut off any form of rights and development, social, civil and economical. The consequence in the South African society after years of suppression, besides the highly unequal share of resources⁴, are high levels of distrust, and trust is crucial in building social and economic growth in a country (Askvik et al 2005: 1). With previously

³ Why do the landless remain landless? SPP 2002 www.spp.org.za

⁴ South Africa has, alongside Brazil, one of the most unequal distributions of income in the world with a Gini-coefficient score of about 0.6

high segregation based on ethnicity, the issue of trust is exceedingly relevant, in society in general, but also towards the formerly oppressive state institutions. Piotr Sztompka suggests several reasons why states going through modernisation processes, like South Africa, increasingly have to rely on trust. One of his arguments is that the modernised states have to rely on human actors, not fate, in the development of the country. This means that politicians have to trust each other and the policies they put forward, and the public need to trust their representatives in the government structures. This has been a difficult matter in South Africa, with several charges of corruption among the politicians and other important actors in the state system. Moreover, Thorvald Gran found that there are low levels of trust between the officials and politicians connected to land reform in provincial governments. His research applies to the Western and Northern Cape Provinces where he found that “the members of the main political parties were more enemies than legitimate players in a democratic process” (Gran 2008: 1).

Secondly, modernisation brings increased division of labour and a differentiation of roles which causes a high interdependence between and within societies. This necessitates cooperation between groups of people, which in turn demands trust. Dependencies towards new and unknown actors may cause uncertainties in the communities. In South Africa, this is a highly important issue, as different ethnic groups that have been separated for years, now have to try to live and function together as one group. Moreover, the separation between ethnicities in the South African societies are still evident, as people still to a large degree reside in different areas based on the “colour-system” of blacks, whites and coloureds. However, in areas where the different groups of people now have to cooperate and work together, like in land reform, several issues arise.

Thirdly, the greater the complexity of modernised societies, the more unpredictable the action of the people in office seems amongst the citizens. Less predictability means increased need for trust in the society. Gran’s previous mentioned research found that the provincial politicians and bureaucrats engaged in land reform does not trust the modern economy, as the international donors and the modern economy institutions were looked upon as the least supportive of land reform (Gran 2008: 1). Finally, in modern societies there are several “black boxes” that seem unclear and incomprehensible to most members. This may be the bureaucracy in the government institutions, the markets etc. In order to act, one must work up some sort of trust towards the experts and specialists in the system. There have been charges

of misconduct by politicians and officials in several areas of government. My main impression after studying the field of land reform and having talked to South Africans about land reform and the South African government in general is that there is a high distrust among people towards the government's capability to solve the country's problems. As many of these points show, the less we know about someone or something, the higher is the need for trust (Askvik et al 2005: 3). This is a well-known and difficult matter in several societies in the world, and has been a severe issue in South Africa for decades. One of the most recent examples of disbelief and desperation caused by mismanagement in the South African communities came to show through the terrible xenophobic attacks across the country in the beginning of 2008. Regardless of what one finds to be the reason for these attacks, they certainly have not lessened the distrust between people and towards government.

2.4 Land Reform

Expected to deal with the racial divide in ownership of land in South Africa, the discussion on land policies started in the early 90s. The World Bank was an important contributor, suggesting a range of tools in order to get a more economically efficient agriculture in the country. They argued that small farms are more efficient than the larger ones, according to the inverse size-productivity relationship in the sector. Among the tools brought up in these early stages were land taxes, land ceilings and subdivision of farm land. Other discussions addressed whether the process should rely on the land markets, how to choose beneficiaries, financing mechanisms etc. Finally the parties agreed on a programme which secured property rights, and where the transformation from racially separated property politics was to be pursued through a market-based approach. The 1997 White Paper on South African Land Policy introduced an increased neo-liberal framework to land reform with the WSWB-approach as a foundation for the government's policy on Land Reform (Lahiff 2005: 1). The market-led approach of WSWB was absent from the ANC's "ready to govern" document from 1992, where they focused on non-market led mechanisms like expropriation. Nor was it mentioned in their election manifesto; the RDP of 1994. The WSWB approach has been influenced by the World Bank, but it is merely a small part of a bigger picture suggested by the World Bank during the transition to democracy in the early 90's. In the World Bank document "South African Agriculture: Structure, performance and options for the future" from 1994, they recommend a strategy which includes "selective expropriation, land taxes, subdivision of land holdings, and negotiated 'exit strategies' for current landowners" (ibid: 1). The platform, on which the ANC based their land policies, differed considerably from this

suggestion especially in terms of the WSWB. In South Africa the land reform was rooted in “respect for private property, reliance on market mechanisms, tightly controlled public spending and minimal intervention in the economy – the so-called market-based, demand-led approach-“ (Lahiff 2001: 1). Almost since the land reform-programme started it has been criticised due to its failure to reach its targets, redistribute the wealth and opportunities, to create economic growth in the country, and its inability to “deliver on its multiple objectives of historical redress” (Lahiff 2008: 1).

2.5 The Land Reform Programmes

The history of land and farming tenure in South Africa may be described as a “racist, state-supported dualist land tenure system with a relatively small number of white owners of privately held land and the majority of black citizens enjoying lesser rights either (i) on farms, (ii) in former Bantustans/homelands or coloured rural reserves or (iii) various urban holding”⁵. The South African land reform was meant to balance this disparity and was presented with three broad headings: land restitution, land redistribution and land tenure reform. Of the 4.7million Ha that has been delivered under the Land Reform Programme so far, Redistribution contributed with 52 percent, Tenure Reform with 2 percent and Restitution with 45 percent. In addition, the transferring of state land came to 1 percent of the total land distributed⁶. Lahiff (2008) describes the approach to South African land reform with these words: “the weakness of the market-based approach that underlies the South African land reform programme – loosely captured under the slogan of ‘willing seller, willing buyer – extends well beyond this question of land acquisition, and has implications for the types of beneficiaries accessing the programme, the often inappropriate models of land use being imposed on them, the general failure of post-settlement support and, ultimately, the slow pace of reform and the generally disappointing performance of land reform ‘projects’” (p.2). In the next sequences, I will go through what has been proposed and done through the land reform-programmes, with a specific focus on the redistribution programme due to its contribution to the land reform programme, but also to elucidate policies and arrangements that are relevant in the case-studies later in the text.

⁵ Unpublished paper, Wisborg, Hall and Shirinda 2007, presented at the Annual Conference of the Norwegian Association for Development Research, Chr. Michelsen Institute, Bergen, 5-7 November 2007

⁶ Umhlaba Wethu – a quarterly bulletin tracking land reform in South Africa. No.5, June 2008. PLAAS

2.5.1 Land Restitution

One of the first legislations passed by the new Government in 1994 was The Restitution of Land Rights Act 22, or the ‘Restitution Act’. This Act gives effect to the decision that people displaced after 1913 have the right to either restitution of the property or compensation. The Act established the Commission on the Restitution of Land Rights (CRLR), whose work is to request and investigate the Land Restitution-claims and prepare them for settlement. The CRLR works under a Chief Land Claims Commissioner, and five Regional Commissioners. They were intended to work as an independent organ in the Land Reform, but are now placed under the DLA, and therefore also dependent on their funding, policy direction, administration etc. The Restitution Act also established a Land Claims Court that rule the proposed claims and make decisions on which form of compensation that should be given the claimants. The Act further stipulates three different categories of relief for the claimants; “restoration of the land under claim, granting of alternative land or financial compensation” (Lahiff 2001: 3). The claimants may also get access to state development projects. In 1995, the CRLR, with partners in and outside of Government, promoted the restitution process and urged people eligible to hand in claims by the end of December 1998. By the set date, a total of 63 455 claims had been handed in. This number had risen to 79 693 in 2004, mainly because the claims had to be split up in households or individuals, and many claims, especially from the rural areas, included hundreds and even thousands of claimants. There have later been complaints due to lack of information towards all qualified claimants, which probably made a substantial amount of people unaware of the process (Hall 2004). In fact, only 10 percent of the supposed 6 million that were dispossessed filed a claim⁷.

The programme’s initial plan was to spend three years, beginning the 1st of May 1995, on establishing claims, then five years on finalising claims and finally ten years on implementing all the courts orders. By December 1998, 31 claims had been settled. Because of the slow progress in the start of the programme, there were some legislative changes in 1997 in order to bring the programme in line with the new constitution. This resulted in direct access for the applicants to the Land Claims Court and more power for the Minister of Land Affairs to settle

⁷ Presentation to the Portfolio Committee on Agriculture and Land Affairs 29 May 2007: p.17
<http://land.pwv.gov.za/restitution/>

claims by negotiation. In addition, the legislative changes were followed by a Restitution Review in 1998. This review investigated the CRLR and its close relations with the DLA, and led to a considerable increase in settlements (Lahiff 2001: 3, Hall 2004: 13).

According to Lahiff (2001), there has been a clear bias toward urban claimants and financial compensations. In 2001, the majority of claims, around 72 percent, came from urban areas due to the forced removals under the Group Areas Act during Apartheid. These were mostly individual or household-claims. Around 28 percent of the claims came from rural areas, and most of them included several households or whole communities. In fact, estimations found that around 90 percent of the claimants actually came from rural areas. The provinces of Gauteng, North West, Western Cape and Eastern Cape accounted for 87 percent of the total settled claims in 2001, which further supports the notion about bias towards urban areas. Most of the claims from these provinces are derived from forced removals from i.e. the cities of Johannesburg, Port Elizabeth and East London. There were far less finalised claims in provinces with more rural claimants, like Mpumalanga, the Northern Province and KwaZulu Natal, where altogether 8.57 percent of the claims had been settled⁸ (Hall 2004: 12, Lahiff 2001: 3). Looking at the reports by CRLR from 1995 to March 2008, the total majority of claimants are from rural areas with about 64.5 percent, compared to 35.5 percent urban claimants. 87.8 percent of the settled claims were urban, while 12.2 percent were rural. Hence, it is questionable whether the Land Restitution has had the wanted effect on rural development as the Land Reform Programme stated

The total number of settled restitution claims from 1995 to the 31st of March 2008 has now reached 74 747 with 1 415 192 beneficiaries. Only 9105 of the cases are from rural areas of the country, but it involves 912 738 beneficiaries. The urban beneficiaries came to 502 454, but they were less people behind the claims, with 65 642 claims settled. The urban applicants have a tendency to settle with a financial compensation compared to the rural claims; 47 726 of the total urban claims settled got the financial compensation, compared to 4247 of the rural total of 9105 applicants⁹. On the other hand it is important to notice that these are statistics from the CRLR, and they alongside other Land Reform institutions have been criticised for a lack of correct data-material and statistics.

⁸ As of 2001 (Lahiff 2001: 3)

⁹ CRLR Annual Report 2007/2008

2.5.2 Tenure Reform

There are two different areas of Tenure Reform; Communal Tenure Reform and Farm Tenure Reform. According to Edward Lahiff this is the most neglected reform-programme, but also the one that has most potential to impact the poor people of South Africa. In fact, he proposes that Tenure Reform has the possibility of more impact than all the other reform-programmes put together (Lahiff 2001: 1).

2.5.2.1 Farm Tenure Reform

Farm Tenure Reform is intended to better the lives of the farm workers in South Africa. This group are among the poorest in the country, earning an average of R544 a month¹⁰. Still they are very important to the rural economy, contributing with 39 percent of the total rural income (Hall 2004: 37). In addition to the farm workers, who often reside on the farm-land, there are also farm dwellers who reside on the area, which most often are children and elderly people. Most farm dwellers have access to the residential area only, while a small part also has access to areas of land for own livestock and grazing etc. In return for these land areas, the farm dwellers are required to work for the land owner without any compensation. Farm owners recently had full rights to evict the farm workers- and dwellers. Because of these insecure circumstances, the DLA developed a tenure reform under their Land reform programme. In 1996, the Land Reform (Labour Tenants) Act 3 (LTA) was introduced. LTA applies for those dwellers who have access to parts of land for own agricultural purposes. In 1997, the DLA presented another programme, which is called The Extension of Security of Tenure Act 62 (ESTA). This Act was meant to protect the tenure rights for farm workers and secure their jobs. It further describes under which circumstances a farm worker may be evicted. This act protects all the occupiers living on the farm land with the owners' approval, also the ones that are not formally employed.

2.5.2.2 Communal Tenure Reform

With the Communal Tenure Reform, the DLA tries to clarify who has the right to what land in the former Homelands. It further tries to elucidate the nature and content of the rights and makes an effort to administer them. There are various land ownerships in these areas, with land falling in under different Apartheid and colonial proclamations. Thus, the land is owned by different parties, like the South African Bantu Trust, the South African Development Trust, the South African Native Trust, and also The Minister of Land Affairs (Hall 2004: 47).

¹⁰ Numbers from 2000 (Hall 2004: 37)

The communal areas of the former Homelands is home to almost one third of the people living in South Africa, furthermore, they also hold the deepest concentration of poverty.

After 1994 there has been much ambiguity about who has the right to what land in the communal areas of the country, with overlapping claims to land. The “administrative vacuum” in the areas has not made the situation any easier (ibid: 48). There have among other things been examples of different people getting access to the same plot of land, and also illegal sales to outsiders (Hall 2004). All these factors make for an uncertain tenure-situations and potential tension and conflict among the people in the communal areas. The Interim Protection of Informal Land Rights Act 31 of 1996 (IPILRA), was presented as an effort to solve these uncertainties in the communal areas. However, there is no formal legislation that deals with communal tenure, so the Act has been extended on a yearly basis since 1996 (Hall 2004). In 1999 the Land Rights Bill was presented, meant to acknowledge existing tenure rights in communal areas and also to provide institutional aid to the administration of communal land. Nevertheless, this Bill was scrapped after protests from various opposition-parties. In 2002, the Communal Land Rights Act 11(CLRA) was presented for public review, leading to threats from some traditional leaders who perceive reforms of the current system as an intimidation to their power (Wisborg and Rhode 2003: 1). The CLRA was passed by Parliament in February 2004, and signed into law by the president later that year. The Act is meant to make sure that there is a democratic management of land by the community that owns it. It also empowers the Minister of Land Affairs to transfer property to communities. Further it calls for land rights administration committees, which distribute and administers the land following community rules. These rules must be recorded and conversely turns the community into one juristic person, allowed to own property. In communities with tribal authorities, the tribal councils administer the land. These councils are required to have an elected membership, including a minimum representation of women (Hall 2004: 49).

Another policy that has been introduced within the communal tenure reform-framework is the Transformation of Certain Rural Areas Act 94 (TRANCRAA) from 1998. This act is meant to transform the previous ‘coloured reserves’ and secure the users’ rights to land that has been used in common by the residents. The act intervenes in 23 former ‘Act 9-areas¹¹’ in Northern-, Western- and Eastern Cape and also the Free State. Through TRANCRAA the tenure rights

¹¹ The Rural Areas Act 9 from 1987

are to be secured by transferring the ownership of the areas to either the residents through a Communal Property Association (CPA)¹², through another local institution i.e. the local municipality in the area, or another body or person approved by the Minister of Land Affairs (Wisborg and Rhode 2003: 1).

2.5.3 Land Redistribution

The Land Redistribution was set out in the early 90s with a prospect to change the racially skewed distribution of land and also to support economic development (Hall 2004: 25). Following the commitments to Land Reform in the RDP in 1994, where the ANC made a promise of redistribution of 30 percent of the arable land, came the White Paper on South African land Policy in 1997. There was considerable changes in the governments approach to Land Reform and their policies from '94 to '97. Some of these policy changes were results of political imperatives, as well as adjustments made after observations by the DLA (Bannister 2004: 1). The White Paper set the purpose of the Land Redistribution to be “the redistribution of land to the landless poor, labour tenants, farm workers and emerging farmers for residential and productive use, to improve their livelihoods and quality of life”¹³. There has been a large amount of attention given to this programme as it came to show that neither the tenure reform nor the restitution programme was making significant contributions. Restitution contributed with less than one third of the transfers up till 2004, while the total of land redistribution and tenure reform, as of September 2004, was almost 1.9million Ha. The tenure reform has contributed with only a small percentage of this number (Hall 2004).

The White Paper further presented a number of grants that would be made available to beneficiaries of land reform, central to these were the Settlement/Land Acquisition Grant (SLAG) amounting to R16 000 per claimant. Consequently, after a rather slow start, the redistribution of land increased rapidly between 1995 and 1999, where 60 000 households were given grants through the SLAG. All in all about 650 000Ha of land were redistributed by March 1999, which is less than one percent of the country's arable land (Lahiff 2001: 4). All though there was an increase in land redistributed, several problems became evident during the SLAG-process. Among these were “the inexperience of officials in conducting land transactions, leading to lengthy delays and loss of interest from sellers; reliance on

¹² in terms of the CPA Act, Act 28 of 1996

¹³ White Paper on South African Land Policy, DLA 1997: 36.

current land owners to determine when, where and at what price land is made available; poor coordination with provincial departments of agriculture and local government, leading to poorly designed projects and lack of post-settlement support; unwieldy group schemes; cumbersome approval mechanisms that acquired ministerial approval for every project; and the imposition of inappropriate ‘business plans’ on poor communities” (My underlining, Lahiff 2001: 4).

In 1998 the DLA started a review of their policies, especially related to their redistribution projects. In 1999, the newly appointed Minister of Land Affairs, Thoko Didiza, launched a comprehensive evaluation of the programme and proposed that it had to be better suited for those who aspired to be full-time, medium to large scale commercial farmers. She put an eight months halt on the redistribution-process, based on the uncertainty whether the grant was serving as a means to reach the goals of Land Reform (Bannister 2004: 1). Most of the beneficiaries until then were groups of applicants that was pooling their grants in order to buy commercial farmland. The review led to the Land Redistribution for Agricultural Development (LRAD)-programme that was meant to broaden the process to include the claimants that wanted to become full-time, big scale, farmers. The LRAD-programme was created in close relations with the World Bank, with almost no input from the civil society or staff at the DLA. The new programme has been undoubtedly aimed at creating full-time black commercial farmers. Although it makes promises of ‘food safety nets’ and encourages a variety of producers, Lahiff points out that both the policy and the promotion of it has unmistakably been aimed at that certain type of beneficiaries (Lahiff 2001: 5). This is nowhere more evident than in the fact that the DLA replaced the income ceiling for eligible beneficiaries from a maximum of R1500 per month to a minimum of R5000 per month (My underlining, Lahiff 2001: 5). The foundation for this programme is to give grants to beneficiaries for acquirement of land for agricultural purposes. Hence, it focuses on fewer beneficiaries and greater amounts of land per applicant. This can be seen in the differences from 2000 to 2002, where in the first year there were over 30 000 beneficiaries while there were less than 10 000 in 2002. The amount of land per beneficiary household increased from an average 11Ha between 1996 and 1999, to 19Ha in 2002 (Bannister 2004: 1).

In many respects, the LRAD-programme had the same difficulties and weaknesses as the SLAG. First of all it adopts the same ‘demand-led’ approach as the previous policies. Lahiff comments it this way: “despite the rhetoric, the programme is neither ‘demand-led’ nor

‘supply-led’, and undermines the very ‘market-based’ principles it claims to espouse” (Lahiff 2001: 5). The DLA again suggests a bureaucratic process that does not favour the buyers or the sellers, and makes it difficult to implement land reform in a well-planned and rational manner. Also under this programme, as in the SLAG-programme, the state is merely incorporated as financial support for the qualified applicants. The major problem with the programme however, is that it tends to favour the ones that already have resources, while those in greater need seems to be further marginalised.

2.6 Recent Activities

In July 2005 the National Land Summit was launched for the first time. Under the banner “A Partnership to Fast Track Land Reform: A New Trajectory Towards 2014” various actors in Land Reform discussed progress, achievements, issues and experiences through land reform the past 14 years. In the period following the conference, there was an increased debate concerning land reform policy, and also a variety of policy initiatives from the government’s side. Not since the transition period in the 1990s have there been so much attention and discussions regarding land reform in the country. Most of the debate both during and after the summit was related to the WSWB-approach adopted by the government. Since then, the Department of Land Affairs (DLA) engaged in “a stop-start process of consultations” and discussed some new policy proposals (Lahiff 2008: 1). Between 2005 and 2006, the DLA introduced Proactive Land Acquisition Strategy (PLAS), and the Land and Agrarian Reform Project (LAPR). In addition there has been a restored interest and emphasis on expropriation resulting in the Expropriation Bill in 2008, which has been approved by the cabinet but awaits parliamentary approval. With these changes there may be a move towards a more efficient land reform, by putting less trust in the WSWB-approach. However, there have not been many results indicating this transformation yet. By 2007 there had been transferred about 4.7 million Ha of land back to the dispossessed. This equals nearly 5 percent of the agricultural land, which is pretty far from the promise of 30 percent that is supposed to be reached by 2014.

These mentioned issues are all factors that may have been, and still are, influential in the failure of land reform hitherto in South Africa. The implementation of policies have had limited results to show to so far. I will therefore focus on groups interaction in communal problem-solving, in an effort to look at how beneficiaries may succeed on the agricultural market in spite of the difficult circumstances. This is not to say that I do not see the great

importance of a well-functioning state in pushing forward a land reform, but still I will try to look at what might be done by the beneficiaries themselves in order to make it. The rural poor in South Africa seem to have few chances of improving their situation. For this reason I wish to look at the beneficiaries and their possibilities for enhanced influence in the agricultural politics in South Africa through the theory of Nodal Governance. Due to the neo-liberal model of land reform that the Government have implemented through their policies, there are several powerful actors other than the State, involved in the process. Therefore, I wish in the theory chapter, to look at the emerging farmers and how they might enhance their possibilities for success getting access to powerful nodes within the “land reform-network”.

Chapter 3: The Cases

In this chapter I will look into the two cases I have chosen to study; Vuki and Goodhouse. First, I will look into the characteristics of land reform in the Northern- and Western Cape. Secondly I describe the areas where Vuki and Goodhouse are situated before I go more into detail about each of the two cases.

3.1 Land Reform in Northern and Western Cape

Before 1994 the Northern Cape and Western Cape provinces were part of a bigger area; the Cape-province. After the first democratic elections the area was divided in three; Western Cape, Eastern Cape and Northern Cape. Partly as a result of the strict regulations of black African immigrants into the province, Western South Africa did not have any homelands during Apartheid. They did however have 'coloureds' doing most of their manual labour, and this has affected both regions in terms of the demography and language, but also when it comes to land reform and what kind of programmes that has been called for. However, when it comes to climate and topography, the two regions are very different. The Northern Cape is the largest province of South Africa, situated north-west in the country with borders to Namibia and Botswana. Furthermore, the region has a poor population that is scattered over an immense area which generates several poor rural communities in the province, and many of the inhabitants are decedents of the KhoiSan people. Main sources of income have been diamond mining and agriculture, the latter mostly confined on the banks of the Orange River on the boarder to Namibia. Since 1994, the province has been ruled by the ANC (Gran 2006: 5).

The Western Cape Province is different from many of the other areas of the country with the increasing tourism, the extensive wine-production but also in terms of climate. Further, it is wealthy, has extensive modern agriculture, a number of farm workers and a large urban population. Because of their predictable rainy-seasons, the agriculture is thriving in the area, resulting in 11.5 million Ha of farming land in the province. Consequently, the Western Cape produces around 60 percent of the country's agricultural exports, valued to over R7 billion per annum. Of South Africa's total agricultural production, 20 percent is from this province¹⁴.

¹⁴ Western Cape Department of Agriculture: <http://www.elsenburg.com/economics/statistics/start.htm>

Since the beginning of the land reform process around 4.2 million Ha of land has been transferred to beneficiaries in South Africa through the restitution and redistribution programmes¹⁵. During this time some provincial tendencies when it comes to project-types and sizes have developed. Western Cape reported a variety of project types and is “notable for a number of exceptionally large and expensive projects” (Lahiff 2008: 26). This however, derives from redistribution projects. When it comes to the restitution process and the rural claims settled, the differences between the two provinces become more apparent. A summary from 2006 shows that in Northern Cape 13 out of 13 rural restitution projects involved land restoration, while 2 of 9 rural projects in Western Cape involved land transfers; the former restored 246 670Ha of land, while the number in the latter province was 5246Ha¹⁶. The trend in the urbanised Western Cape Province has been cash compensation rather than restoration of land. Nevertheless, far most claims were settled in this region in 2006/07; 1 263 claims against Northern Capes mere 102. Then again, these 102 claims involved more than double the amount of beneficiaries than in the Western Cape¹⁷.

The average size per redistribution project across the country in 2006/07 was 902Ha, while Northern and Western Cape reported much higher numbers; 2 282Ha and 3 756Ha respectively (Lahiff 2008: 24). Looking at tendencies during the years after 1994, the redistribution of large areas in Western Cape is more unexpected than in the Northern Cape. Northern Cape, on the other hand, has reported large area transfers since the beginning of the process. It should be noted though, that the largest projects in Western Cape in 2006/07 involves forestry and not agricultural land (Lahiff 2008: 26). Northern Cape is, as mentioned, an immense semi-arid region with rather few inhabitants, which resulted in the fact that more than half of the 1.9 million Ha that had been redistributed by September 2004 took place in the Northern Cape (Hall 2004: 26). There have been several municipal commonage-projects in the Northern Cape: 50 of the 126 commonage projects by 2004 happened in this area of the country. The size of these projects has been impressive: 392 692Ha of commonage land was transferred in the Northern Cape by 2004, compared to 5 844Ha on two projects in the

¹⁵ DLA 2007

¹⁶ Appendix I Rural Claims Settled – National Summary, 31. March 2006

¹⁷ Appendix II Claims settled, by province, 2006/07

Western Cape (ibid: 35). Western Cape, with its rich agricultural land and established commercial farmers, are popular among property developers and foreign buyers, resulting in high land prices in the area, which in turn affects the land redistribution. In addition this region is more urbanised than the Northern Cape, with more of its land reform based on cash compensation to urban claimants. However, there has been a common trend in all of South Africa that bigger areas have been transferred to fewer beneficiaries per project since the mentioned policy changes resulting in the LRAD-grants in 2001.

Although the two provinces are very different in terms of agro-ecological areas and the amount and concentration of people, this is not the sole explanation for their differences in land reform performance, it also appears to “reflect different interpretations of policy and different approaches by the various provincial offices of the DLA” (Lahiff 2008: 26). Inappropriate institutions and unskilled personnel in the local municipalities has been a widely criticised part of the land reform programme (Lahiff 2001, Cliffe 2007, Gran 1997). As a result, the prospects for successful land redistribution and projects may vary from province to province, and also within the different areas and municipalities.

3.2 Namaqualand¹⁸

The Goodhouse-community is situated in the Namaqualand region. This area is famous for its spectacular flower season in July/August and has Springbok as the regions capital city. Goodhouse is a small rural area situated on the banks of the Orange River near the boarder of Namibia. The closest city, Springbok, is approximately 80km away. The area is under the NamaKhoi Municipality, but is subject to the administration of Steinkopf Transitional Council. The Steinkopf Administration-region is the second biggest “coloured rural area” in terms of the Act 9 policy from 1987. The majority of the 7500 people living in this area are based in Steinkopf, while others are situated in the small communities Henkries, Ikosis, Eyams, Gladkopf, Bulletrap and Goodhouse. The area was originally 329 300Ha, but under the Land Redistribution Programme an additional 110 024hHa was added¹⁹. The Goodhouse Community include roughly 550Ha of land and some of the people living in the community

¹⁸ Map over Northern Cape – Appendix III

¹⁹ M&E Newsletter 3/2001 - The journal of the Monitoring & Evaluation Directorate, DLA. www.me-dla.org.za

have ancestors that have been farming the land since the early 20th century²⁰. The climate in the area is very dry and hot, with temperatures reaching as much as 50°C in summer.

3.3 Goodhouse Paprika Project

In March 2003, the production at ‘Goodhouse Paprika Project’ was officially started²¹. There were great expectations that this project would help relieve the devastating unemployment-rate in the area. After the Okiep copper mine closed down two years earlier and also when in addition two large fishing companies had to shut down, work opportunities were desperately needed²². With promises of 1.671 new jobs in the end of 2003²³ and becoming the second biggest producer of paprika on the European market, many, including the people in the area welcomed the project with open arms²⁴. The Paprika processing factory, with 78 employees, was situated in Springbok. The developers’ plan was to create an additional 1.116 jobs apart from the 55 beneficiaries from Goodhouse; 1.500 workers, 10 in the cooperative, 8 in the nursery, 78 in the factory and 20 in management and administration²⁵.

The “Goodhouse Paprika Project” was initiated by the Northern Cape Provincial Government and ‘handed over’ to Mr. Gil Arbel, chief executive officer of Gili Greenworld and Mr. Andre Hendricks of Variety Holdings (Pty) Ltd., who together formed the Northern Cape Agricultural Linkages (NOCAL). Gil Arbel was the initiator and also the one who made the proposal and the feasibility studies. This is not only unfortunate; it is according to Henk Smith at the Legal Resources Centre (LRC), illegal. In spite of protests from the Steinkopf Transformation Committee (STC) with help from the Surplus Peoples Project (SPP) and the LRC, the suggestion went through. The STC applied the Land Bank for support to hire an agricultural economist in order to check the viability of the project in Mr. Arbel’s proposal, but got no funding.

²⁰ Report from the Steinkopf Transformation Committee, SPP-files

²¹ Volksblad: <http://152.111.11.6/argief/berigte/volksblad/2003/12/05/SV/11/01.html>

²² Thabo Makweya, Northern Cape MEC of economic affairs and tourism, cited in Engineering news – site

²³ Proposal in SPP file

²⁴ Engineering news 04/10/2002, 07/03/2003 and 28/03/2003, news24.com 07/03/2003, BuaNews 05/03/2003, 28/11.2003

²⁵ Organisation map – Appendix IV

The farmers received R5.5 million in LRAD-grants for the project, and a loan from the Land Bank of R52 196 000²⁶. In addition the Land Bank also provided them with a medium term loan of R40 480 000, a production loan of R5 250 000 and an instalment sale finance loan of R3 700 000; R49 430 000 all in all²⁷. NOCAL invested R38 million in the factory. They also received an R18 million grant from the National DoA to install high technology drip-irrigation on the land. The Northern Cape provincial government invested R17 millions in shares to be translated into a 25 percent shareholding in the factory by the 55 farmers²⁸. NOCAL was to run the project until “the community are developed to such an extent that they can take full responsibility for the project management”²⁹. The electricity Company ESKOM also sponsored the project with R3 million.

All together there were 55 farmers that were to farm paprika and spices for the business ‘Goodhouse Agricultural Corporation’. The proposal from Mr. Arbel stated that they were to farm according to a Kibbutz system. This entailed that each farmer had a plot of 10Ha that he/she was responsible for, but that they all should share the profit produced by the system; “a process which builds lasting relationships and a strong camaraderie between the people involved³⁰”. Sadly, this was not the outcome; quite the opposite of ‘strong camaraderie’ evolved in the community. Conflicts developed between two groups of opposing farmers, the ones that were ‘pro-Gil’ and wanted to excise the land and hand it over to the developer, and a group that was supported by the STC and meant that “there’s just no way we’re going to excise this land and have it in ownership because it is part of the act 9 land of Steinkopf” (Interview Mr. May 11.12.2008). Further, according to Mr. May, all the farmers produced together on the land and not by means of the Kibbutz system suggested by the developers. Conflict between the farmers and the management also evolved, with allegations of alcoholism and drug abuse amongst the farmers from the management-side. According to Harry May at SPP in Springbok and Ralph Smith at LRC in Cape Town on the other hand, the

²⁶ Principal Agreement between NOCAL and EDUGAIN 62, SPP-files

²⁷ Land Bank Loan Agreement, SPP-files

²⁸ Engineering news: community”<http://www.engineeringnews.co.za/article/red-gold-a-boon-for-desert-community-2003-03-07>

²⁹ Business Proposition – LRC files

³⁰ Strategic Overview of the Kibbutz system of Land Redistribution and Sustainable Development – SPP files.

problems were mainly managerial, something they also find as the main reason for the collapse of the project.

After visits to various land reform projects in Eastern Cape, Free State and Northern Cape in 2005, the Portfolio Committee on Agriculture and Land Affairs concludes in their report that the Goodhouse Paprika Project has “collapsed completely” and is liquidated and under investigation due to alleged financial irregularities. Further they observed there were group conflicts and lack of participation and empowerment from the beneficiaries, lack of a dispute resolution mechanism and also proper security and maintenance of infrastructure³¹. The “financial irregularities” were amongst other things allegations of corruption in the provincial government, and suggestions that Mr. Arbel had used some of the company funds for his own benefit³². The affairs were investigated but have not resulted in any clarification or reimbursement for the farmers. The report also declare that the factory in Springbok shut down in 2005 because there was not enough paprika produced to keep the factory going economically efficient. Harry May however claims that the farmers produced a lot of paprika, but the company did not manage to sell it. It became evident that the guaranteed market that NOCAL promised in their business plan did not deliver as planned³³. In addition they envisaged a strong demand for paprika, which seemed not be there. The prices per kilo that they set up in the budget also appeared to be wrong because of inflation (Interview Mr. May 11.12.2008). According to Harry May, what is typical for the entire Goodhouse-history is what he calls political mingling (Interview Mr. May 11.12.2008). As of today, there is nothing happening on the farming area. The groups of farmers are still fighting over the remains, and several of the buildings have been destroyed by angry community members. In addition they have sold farming equipment and machinery and also the irrigation infrastructure, most likely due to the fact that the farmers were stuck with a R120 million debt after the liquidation of the farm. Mr. Harry May describes the outcome of the project with these words: “In the end, in my view, they were left actually worse off than where they started” (Interview Mr. May 11.12.2008).

³¹ Report of the Portfolio Committee on Agriculture and Land Affairs on Provincial Oversight Visit to Northern Cape, Free State and Eastern Cape, dated 25 October 2005:
www.pmg.org.za/docs/2005/comreports/051101pcagricreport2.htm.

³² Inligtingsverslag (Information Report), South African Police Service, LRC files.

³³ Goodhouse Business Plan – SPP files

3.4 The Overberg District³⁴

The Vuki Farm belongs to the Theewaterkloof Municipality in the Overberg District. The farm is about 12km east of Grabouw, which is the centre of the Overberg which for many South Africans is better known as Elgin Valley; a region famous for its rich fruit-production³⁵. The district has the highest concentration of agricultural household in the province, with two distinct ‘agro-ecological zones’: the grain belt and the deciduous fruit fringe. The former includes the towns of Caledon, Swellendam and Bredasdorp, while the latter includes the Vuki Farm and stretches from Grabouw in the north, covering the Winelands, and eastwards to Villiersdorp and Barrydale. The deciduous fruit fringe has become important to the Overberg in terms of economic growth and employment (Kleinbooi et al. 2006).

3.5 Vuki Farm

Under its previous owners the Vuki farm was known as Whitehall. It covers 318Ha of land and the first efforts of land reform at this farm started in 1993, while the owners, the Hall family, were experiencing financial difficulties because of an increasing downturn in the apple industry. In 1995, 90 percent of the Hall farm-workers, 121 people, bought 50 percent of the shares in the farm. This subsequently became one of the first equity schemes in the fruit industry in the Western Cape region.

In 1995, the land at Whitehall was valued to R17 million and the business at R12 million, all though it was described by the owners as technically bankrupt. Nevertheless, altogether the farm was believed to have a total value of R29 million. The workers organised themselves through the Whitehall Farmworkers’ Trust and managed to lend R14.8 million to purchase 50 percent of the shares. This funding was financed by loans from the Independent Development Trust, R2 million, The Development bank of South Africa, R3.8 million, and Standard Bank, R9 million. The R9 million from the Standard Bank was later taken over by the Land Bank. None of the workers applied for any government grants at this period of time. In 1998, three years into the joint venture, all the workers applied for Settlement and Land Acquisition Grants (SLAG), which amounted to R16.000 per worker. All together they received R1.936 million. This money was spent to ‘strengthen the balance sheet’, hence they were not used to

³⁴ Map over Western Cape Appendix IV

³⁵ Grabouw web site: www.viewoverberg.com/Grabouw.asp

buy new equipment or for new development (Kleinbooi et al. 2006: 26, Interview Mr. Witbooi: 28.05.08). The Whitehall farm continued to have financial difficulties following the share equity scheme, and as a result of this 34 of the workers left the project in 1999, with 25 additional workers following in 2000. Finally, on the 9th of January 2002, the Whitehall Farm was liquidated and the property was taken over by the Land Bank.

The remaining farm-workers at The Whitehall farm made an agreement with the liquidator that they could lease the property and continue their work on the farm for six months. During this period the farm had its highest profit in ten years, at R5 million. The improvement was somewhat caused by an exceptionally good harvest that year, a strong Rand and an upturn in the apple-market, but it made the workers confident that they could take over and run the farm on their own. There was however some problems in this period, as the previous owners took legal action to prevent the farm from being sold to the workers. These matters were resolved when the Hall-family agreed to the sale on the conditions that all claims from the creditors of the bankrupt Whitehall Estate should be withdrawn. These conditions were later agreed on by all parties (Kleinbooi et al. 2006: 27).

For three years, from 2002 till 2005, the Farm-workers trust ran the business with the approval of the creditors³⁶ and paying rent to the liquidators. At this point there were around 40 workers left and two managers. Moreover, they got an additional loan from the Land Bank of R2 million, which later were increased to R3.1 million. Arrangements concerning credits were also entered into with marketers and pack houses (ibid: 27). On the 3rd of October 2005, a deed of sale was signed between the workers, now called Vuki Trust, and the Land Bank. The name Vuki is a Sesotho word meaning literally translated, to stand up. The use of the word in Sesotho implies to “Arise, be awake, go and do something for yourself”³⁷. The Whitehall farm was now estimated to be worth R11.1 million; R8 million for the land and R3.1 million for the business. The Vuki Trust obtained loans from the Absa Bank and the Land Bank to take over the land. In addition they applied for LRAD-grants from the DLA, which came to R77.524 per person; around R3.1 million all together. The DLA also granted them a LRAD planning grant of R465.144. The LRAD-grants were used to reduce the debt to

³⁶ Land Bank, DBSA, IDT and The FNB, ratified by the Master of the Supreme Court (Kleinbooi et al. 2006: 27)

³⁷ Vuki business plan – DLA files

the Absa Bank. In 2005, Vuki acquired a CASP-grant³⁸ from the Provincial Department of Agriculture in Elsenburg. This grant came to R1.1 million (ibid: 28). The CASP-grant was mainly used to refurbish and replace machinery (Interview Mr. Witbooi 28.05.08).

Today there are 37 permanent workers at the Vuki Farm. These are also beneficiaries from the Vuki Trust, which is the only owner of the business, Vuki Farming Pty (Ltd)³⁹. There are six managers at the Vuki Farming Pty, each responsible for different areas of the business; production, Human Resources, logistics, chemicals, financial management and marketing. In addition there are four directors that run the Vuki Trust, selected by the beneficiaries. Some consultants are hired on contract and come in every month and work on areas like chemicals, wine-grapes and marketing. One of these consultants was assigned by the liquidators before Vuki Trust took over the ownership. He is a business recovery specialist, and was hired to assist in the project and to act as the General Manager, but is now working as a consultant. The production manager describes the consultants as ‘watchdogs’ over their business (Interview Mr. Witbooi 28.05.08).

Per year there are around 250 seasonal workers, mostly from the Eastern Cape region, working at the Vuki Farm. According to the production manager, it is mostly the same people that are coming back every year. The seasonal workers are accommodated in hostels at the farm. 21 the farm-workers live on the farm-land with their families, while the rest of the workers live in places close-by like Grabouw and the Village. 150Ha of the farm-land is being used for productive planting, and they produce apples, pears and wine-grapes. (Interview Mr. Witbooi 28.05.08). Vuki sends its crops to two pack houses, which ship the products to the South African markets and international markets, in particular the Tesco supermarkets in UK, but also other retailers in Africa, the Middle East and EU-countries (Kleinbooi et al 2006: 29). The wine-grapes that are produced at the farm are sold to South African wine-makers that pay them back per tonnage. In return the wine-bottles have to have the Vuki Trust brand on their label (Interview Mr. Witbooi 28.05.08).

³⁸ Comprehensive Agricultural Support Programme

³⁹ Organisation Map – Appendix VI

Chapter 4: Methodology

In this chapter I present an overview of the methods used in my research. First of all there will be an introduction of the purpose of my study and the approach. Further, I make account for the chosen research-design; case study, and the research strategies applied to collect data; document-analysis and qualitative interviews. The main purpose of this chapter is to describe how I have conducted the research, but also to look at issues concerning the research-methods I have applied in the investigations.

4.1 Purpose of the Study/Context

Through this research I want to investigate two land reform projects; the Vuki Farm and Goodhouse Agricultural Corporation. I will set the two cases up against each other and attempt to look at aspects contributing to the widely different outcomes. In order to say something about this, I have focussed on three main-groups of variables which are linked to the theories and previous research I have based my studies on; ‘trust’, ‘character of authority intervention’ and ‘networks’. I will further derive variables under each of the groups, based on the theories, previous studies in the field of land reform, and my own research in South Africa. Finally I will compare the cases through the method of difference. By means of this research I hope to say something about the South African land reform and if the previously oppressed farmers may better their performance and influence, by strengthening their capacity for communal problem-solving and improve their links towards the established agricultural market. My approach is:

Are there certain factors that may explain why some land reform projects in South Africa succeed while others fail?

I want to investigate how the land reform beneficiaries manage in the still segregated agricultural industry and how/if they get linked with the already established networks, if they receive adequate support from government institutions and if trust and trustworthiness within the organisations will be a decisive factor for success or failure. To be able to look at this more closely, I have investigated two groups of beneficiaries, one that has been quite successful and one that failed. However, both cases tend to go towards each their extreme; at Vuki, the successful case, the farmers had a well-developed network of acquaintances within both public and private spheres, and the project is also situated in an area that is well-known for the kind of product that the farmers at Vuki produce. In contrast, the Goodhouse project

was situated in a very remote area on the borders to Namibia. The community is quite isolated and seemed to have few connections towards the wider governance network. Moreover, the community had a real threat of poverty which was further aggregated by a recent downturn in the mining industry where many of the residents got their income. In addition, the two cases are situated in different provinces, the Northern Cape and the Western Cape, which in turn also have different land reform administrations, something that also may have been an important factor when determining the reason for the outcomes in the two cases. Further, by choosing two contrasting cases I hope to be able to elucidate the challenges and opportunities concerning land reform projects in the country. Thus, my suggestion is that by looking at these two different cases, their characteristics will become clearer. My interest is primarily to look at challenges and opportunities in land reform projects connected to the concept of social capital and communal problem solving, and not necessarily to speculate whether my empirical observations may be generalised. However, I want to investigate if there are any characteristics and issues concerning these groups which might help explain the current state of land reform in the country.

4.2 Research design

There are several definitions of research-design, one being: “a plan that guides the investigator in the process of collecting, analysing, and interpreting observations. It is a logical proof that allows the researcher to draw inferences concerning causal relations among the variables under investigation” (Yin 2003: 21). Most importantly, the design is meant to help the researcher avoid situations where the data he collects does not reflect the research question he wants to answer (ibid: 21). All investigations need some sort of research design; either implicit or explicit. The research design helps the scholar get from a research question to a conclusion. There are many variables and unforeseen events that may cause disturbance when one does research in “the real world”, thus a research design is meant to help the scholar keep focused and collect the data that is relevant for the questions he wants to answer. The research strategy I have used in my studies of land reform in South Africa is case study.

4.2.1 Case Study

There are various opinions when it comes to what exactly a case study is, how it should be used, or if it's even a proper strategy for research. A relatively simple definition is that it “includes one or more components of analysis, which are objects of intensive investigation” (Ringdal 2007: 149). This definition may be expanded to involve intensive investigations of a small amount of cases (components of analysis), which may be individuals, families,

corporations, organisations, nations or countries, but also events and decisions (ibid: 149). Robert K. Yin has promoted a more complex definition of case studies, suggesting that the case study is an “empirical inquiry that investigates a contemporary phenomenon within its real-life context” (Yin 2003: 13). According to Yin, the strengths of case studies are that they are useful “when the boundaries between phenomenon and context are not clearly evident” (ibid: 13). This means that one cannot easily transfer it to a laboratory for an experiment where you control the variables and so on. Another strength is that case studies enables a researcher to ask “why” and “how” questions about events happening in reality, while they can use several research tools like field observation, review of documents, interviews, archival and quantitative records (ibid: xii). I have selected two cases for investigation; Vuki Farm in the Western Cape and Goodhouse Agricultural Corporation in the Northern Cape.

4.3 Research Strategies

In collecting data for case-studies, one may use various sources of information, the most common ones being documents, archival records, interviews, direct observation, participant observations, and physical artefacts (Yin 2003: 83). My main strategies have been document analysis and open-ended interviews.

4.3.1 Qualitative Document analysis

Qualitative document analysis is based on “systematic examination of documents, in order to categorise its content and register the data that are relevant for the approach in the specific study” (Grønmo 2004: 187). There is in addition various information that fall under the category ‘documents’, i.e. letters, announcements, reports, administrative documents, newspaper clippings and formal studies (Yin 2003). Thagaard proposes that all kinds of written information that are available for the researcher may be included in a document analysis (Thagaard 2003: 59). In conducting this type of research, the selection of data often happens during the collection of texts; new information and data emerges while the data is gathered. In this way the initial approach may get changed several times during the data-collection. This type of research-method leads to a somewhat unpredictable process since one document or piece of information often leads to several more. This in turn implies that it is difficult to plan the process (Grønmo 2004: 187). I have, in my research, made use of several types of documents, some of the most important ones being studies published by the previously Programme for Land and Agrarian Studies, now called Institute for Land and Poverty Studies (PLAAS), documents on the cases gathered from the Department of Land

Affairs (DLA), information and documents from the SPP, documents from the LRC in Cape Town, and newspaper articles.

On the Vuki case, I gathered my documents through PLAAS, the Provincial DLA in Stellenbosch, and through newspaper- and magazine clippings. The DLA-files contains detailed business-plans on the project, information on the running of the company, the beneficiaries included in the project, communication (e-mails, faxes and letters) between the beneficiaries and various government actors, but also communication between government officials concerning the project. In addition there is a presentation of the project with the history of the farm, pictures of the area etc. I managed to get hold of these files through Alie van Jaarsveld with the Ministry of Agriculture in Cape Town, who connected me with the Provincial Department of Land Affairs in Stellenbosch and Mr. Jimmy Freysen, who in turn let me copy their files on Vuki Farm. Further, through meetings with Karin Kleinbooi at PLAAS I got hold of a research report from the Theewaterskloof area, which also contains an in depth study of the Vuki Farm. The Vuki Farm has been, and is, a very successful project, described by Mr. van Jaarsveld as the “flagship of Land Reform in the Western Cape”; hence it was quite easy to gather information and documents.

Concerning the project at Goodhouse in the Northern Cape, the gathering of data was a bit more of a challenge. However, my main documents are files on the project that I got hold of through PLAAS, the NGO SPP and further The LRC in Cape Town. Through PLAAS and SPP I have got hold of files on the project which contains pretty much the same kind of information as the files I gathered from the DLA in the Vuki Case; business-plans, who is part of the project, communication between different stakeholders and government officials of various levels of government, and descriptions of the project. In addition the SPP provided me with reports on the Goodhouse area; the history of the inhabitants, previous projects etc. These documents are for the most part carried out by the STC in the Northern Cape. Further, Mr. Henk Smith at the LRC in Cape Town has sent me several files on the Goodhouse-case via e-mail. These documents are descriptions of what happened at Goodhouse, communication between different stakeholders in the project, overviews of happenings and dates related to the project etc. In addition I had two meeting with Mr. Smith at the LRC offices in Cape Town, where he let me look into the files LRC had on the case, allowed me use their library with several reports and previous research from the area I was interested in, besides giving me his personal views on what had happened in the project. Moreover, I have

collected articles from South African Magazines and newspapers, but also different Government web-sites. The Goodhouse case is looked upon as a quite controversial one; as a result it has been a challenge to get information on the project, especially from Northern Cape government officials. However, I feel I have collected an adequate amount of information in order to compare it to the Vuki Farm-project.

In addition to information on the cases, I also gathered data on the land reform programme in South Africa in general. Through studying at The School of Government at The University of the Western Cape in 2006, I already had quite some articles on the subject from my course literature, especially the “Rural Development and Planning”-course. Moreover I have made extensive use of PLAAS’ ‘Status Reports’ that summarise what has happened in the diverse fields of Land Reform throughout the years, but also their ‘Policy Briefs’-series that they started publishing in 2001. In addition I have read through some of the many research-reports and books that have been published by the institute.

Furthermore, in studying Land Reform, I have looked at the DLA and DoA’s own websites. On these sites there is extensive information about the various policies, areas they cover, suggestions for further changes in policies etc. I have also studied articles published by the SPP, which are available on their websites, in addition to the ones I have gathered and copied personally. When it comes to the media’s coverage of Land Reform, this can not be said to have been impressive in earlier periods, but in the past couple of years, there have been a slight increase in the interest surrounding agricultural politics. One of the reasons for this increase in interest concerning agriculture and the poverty in rural areas increasing interest may be the government elections in 2009.

4.3.2 Issues concerning Document-analysis

First of all, there have been some problems due to language in my analysis of documents. This in particular involves data on the Goodhouse-case, where I found that many of the documents I got hold of were in Afrikaans. It has been a challenge to get people to talk about this project, which have made me increasingly dependent on documents. The agricultural Magazine, Landbou, have covered the Goodhouse-project quite well, but most of their articles are in Afrikaans. In addition, several of the files I gathered from the SPP and the LRC on this case are in Afrikaans. Because of the amounts of documents and the limited time, I have had no opportunity to translate all of them. I have however, considered which documents contain

important and new information through discussing it with the people I gathered the documents from, but also via translating fractions of documents. This in itself may be a problem, since I then directly affect which documents are selected and which one are rejected. On the other hand, the majority of the documents I have studied have been in English, so I do not consider this to have been of too much inconvenience for the research.

Secondly, the researchers' perspective may influence how and which documents are chosen for analysis. If the researchers knowledge on the field is limited, or one perspective on the matter have been chosen beforehand, it will undoubtedly affect which documents that gets included in the analysis (Grønmo 2004: 192). In this way, documents that could be important in order to get an informed approach on the subject matter, is overlooked because it does not fit the researchers' perspectives. By going through PLAAS' studies and other related scholars' studies on the field, I have included different approaches to Land Reform, in terms of what has been doing well and not, and how one should move forward. Since PLAAS is an institute with links towards several other universities and scholars, I consider the documents to capture various perspectives within the field of research. In Land Reform, there are obvious interest-conflicts and clear lines between the various actors and their requests for change. Nevertheless, it may be easy to 'pick a side' and consequently value some perspectives more than others. Because of this I have tried to contact several different actors in Land Reform; researchers, farmers, administrators and NGOs in order to gain information and documents.

Further, research may be based on unauthentic documents. This relates to the researchers' understanding and critical eye on sources, where documents are found etc. To avoid this problem, Grønmo suggests one should compare texts and consider their content in relation to one another, but also up against other sources and research. This concerns information about the texts' background, its origin, the subjects it examines etc (Grønmo 2004: 192). I feel I have avoided this issue by gathering most of the documents through known organisations and research institutions in South Africa. A problem related to the fact that I have gathered most of my documents 'manually' by copying files from organisations like SPP, DLA and LRC, is that they are hard for others to verify or re-examine while they might not be easily accessible.

Generally, the role of the researcher in qualitative document analysis may be problematic. Because of the unpredictability in the collection of documents, the process is quite challenging and will therefore in most cases be conducted by the researcher himself (ibid: 187). Hence, the whole process off selecting documents and also the analysis and

categorisation of the data, will be decided by the researcher only. In this way my perspectives on the subject may influence which documents gets preferred, and it can also affect the analysis of the documents chosen. In addition, the researchers' understanding of context and consideration of sources may also affect the results in the study. This relates to knowing who your sources are, and how they and the context it is produced in/for might colour the data produced, or which data is obtainable (Grønmo 2004).

4.3.3 Qualitative/Open-ended Interviews

Using interviews or conversations in order to gather information, is an ancient form of investigation. In connection with social sciences, however, interviews are quite previously employed (Kvale 1996: 8). Anthropologists and Sociologists have used interviews in order to gather background knowledge for a while, but what is new is that during the last decades, researchers in social sciences have used qualitative interviews as a research method in its own right. Also, there has been an increasing amount of methodological literature on how to do qualitative interview research systematically (ibid: 8). I used qualitative interviews to gather information about my cases, and to some extent to attain knowledge about Land Reform. My main interview-objects have been Mr. Witbooi, the production manager at Vuki Farm, Mr. van Jaarsveld with the Ministry of Agriculture in Cape Town, and Mr. May with the SPP-offices in Springbok. In addition I have had meetings with Karin Kleinbooi at PLAAS and Henk Smith with the LRC in Cape Town. The latter have been helpful with information on the Goodhouse Agricultural Corporation.

Before the interviews I set up an interview-guide with the subjects I wanted to get the respondents to talk about. The guide is meant as support in order to keep focus during the interviews. Since I was conducting qualitative interviews, the guide has to be comprehensive and specific in order to get the relevant information for the studies, but at the same time general and simple enough for the interview to be carried out as flexible as possible (Grønmo 2004: 161). On the other hand, it is not possible to fully identify the need of information before the actual conversation takes place. During my interviews I gained new knowledge and got additional questions that I did not plan for in the initial guide. One has to be flexible when it comes to weighing the importance of new subject matters being presented up against the prepared interview-guide, and also to make sufficient notes of or tape the interview (Grønmo 2004). I taped my interviews, and transcribed them in full text afterwards. Concerning openness in communicating with the respondents, I fully informed my subjects on phone or

through E-mail about the purpose of the interview prior to our meetings, how the information was to be used and so on. This might have affected the low response I got from government agencies related to the Goodhouse-project in the Northern Cape, due to the notion that the case has been considered controversial, and the government as developers have had to take much of the blame for the outcome.

4.3.4 Issues Concerning Qualitative Interviews

Typical issues that might arise in qualitative interviews are connected to communication, the researchers' position and the respondent representation of self or of the situation. Concerning communication, my interviews were carried out in English, all though it was neither mine nor some of the respondents' first language. However, I do not feel that this limited or disturbed the interviews in any way. In addition, by preparing an interview-guide and giving my respondents information about me and my research before the interview-session, the matters I wanted to discuss was quite well-defined for both parts. Moreover, Grønmo states that researchers may affect the respondents' answers by conducting behaviour which may "stimulate or provoke the respondents to express themselves in certain ways" (Grønmo 2004: 165). What he refers to here is i.e. to ask leading questions, or in other ways give an impression that there are certain answers you are looking for. Nevertheless, my intentions with the interviews were to make my respondents talk freely on certain themes that I prepared in the interview guide before we met. By sticking to my predefined themes, I hoped to have limited my influence on the conversation. When it comes to the respondents' description of the cases and their own part in the process, this might be a problem if the period between the experience and the execution of the interview are far apart in time. The processes that were brought up concerning the cases did not happen that many years ago, but still, it is important to be aware of these issues when going through research and when analysing the findings. However, these concerns apply more to interviews when the respondents have to recall events from far back in time, i.e. their childhood (ibid: 165).

4.4 Variables- The criteria for interpreting the findings

Going through previous research and theory traditions, various text and documents and conducting interviews, I have identified a couple of variables which I find to be important in groups of land reform beneficiaries. By setting these variables, and measure them up against the two cases I have studied, I wish to be able to say something about factors that may have been important in order to create successful land reform projects, but also factors that may have work against or slow down the progress. A possible problem here might be the

definitions and the preconception I have when I think of development, innovation, market-involvement, the South African governmental agencies etc. Since I choose the variables and also measure them, this will largely affect the way the study will interpret findings and come to a conclusion. One way to avoid this is by turning to previous research and theories when choosing which variables I find important. Which variables do other researchers find essential in communal problem-solving? This will be a kind of “pattern matching”, where information from the cases may be related to some theoretical suggestion (Yin 2003: 26). The main groups of variables I have decided to use in comparing my two cases are; trust, character of authority intervention, and networks. I will draw on the Method of Difference when measuring the variables in my cases.

4.4.1 The method of difference

Theda Skocpol and Margaret Somers (1980) identify three different logics-in-use within comparative history-research. These are ‘Parallel Demonstration of Theory’, ‘Contrast of Context’ and ‘Macro-causal Analysis’. My research will fall in to the latter category. Macro-Analysts try to specify “configurations favourable and unfavourable to particular outcomes they are trying to explain” (Skocpol & Somers 1980:182). Further Macro-analysts tend to move back and forth between different explanatory theories, hypotheses and to compare important aspects of the history of their cases, in contrast to exploring and evaluate whole histories up against each other in terms of pre-given themes (ibid: 182). Moreover, Macro-analysts do their research according to one or two analytic designs or as a combination between the two. In my research the macro-social unit is the Land Reform in general. My ‘units of analysis’ in order to say something about land reform beneficiaries, are The Vuki- and Goodhouse communities (Ragin 1987). I will define variables based on theory traditions and my own and previous research, and use Vuki and Goodhouse as my illustrations.

These analytical designs were originally recommended by John Stuart Mill, and are called “Method of Agreement” and “Method of Difference”. In the former, researchers try to establish that cases which have a similar outcome also have the same hypothesised underlying factors, although the cases seemed dissimilar in circumstances. In the latter method, “The Method of Difference”, the analyst “can contrast cases in which the phenomenon to be explained and the hypothesized causes are present to other (“negative”) cases in which the phenomenon and the cause are both absent, although they are as similar as possible to the “positive” cases in other respects” ((Skocpol & Somers 1980: 183).

Model 1 Method of Difference

Positive Case	Negative case
A	A
B	B
C	C
X	Not X
Y	Not Y

(Skocpol & Somers 1980: 184)

Looking at this model, one may conclude that the method of difference is a simple statistical technique with its cross-tabulations of cause and effect. According to Ragin (1987), this is not the case; “the indirect method of difference is used to establish patterns of invariance” (p.40).

When it comes to the method of difference, one of the main issues is third-factors. There may be unknown variables, that I have not taken account for, which may be important in the outcome of the cases. I have tried however, to reduce that risk by conducting my research through established research-methods, but also by looking into previous studies by well-established scholars within the field of research. There is certainly a risk of overlooking important variables, seeing that I conduct the research, choose documents, interview-respondents, and variables, but I have, as far as I can, tried to base my research on previous findings, established theories and methods, and also through consultations and interviews.

4.5 Reliability, Validity and Generalization

Several scholars question the relevance of the concepts of reliability, validity and generalization in qualitative research. The reason for this discussion is the tight connection of the concepts to quantitative measures. One solution to this issue is to refer to them as credibility instead of reliability, confirmation in place of validity and transferability rather than generalization (Ringdal 2007: 221). Credibility describes whether the research has been done in a trustworthy manner connected to casual bias in measurement. I have tried to be aware of these possible biases throughout my studies, i.e. by choosing reliable informants. Burris, Drahos and Shearing(2005) claim that trying to understand the ‘rules’ of cause and

effect within a collectivity, in this context Vuki and Goodhouse, is a valuable adaptation and it embodies a great deal of practical knowledge of the collectivity and its environment. On the other hand, the fact that everything is an outcome of what has come before, that the processes are continuing over time and the fact that our attempts to disaggregate chains of causation must inevitably be biased, basically means that one will always to some extent get it 'wrong'. They go on saying however, that this does not mean that it is not valuable and significant to get it as right as possible (Burriss et al 2005: 35).

Regarding validity or confirmation I had to be aware that I actually measured the matters I wanted to study. This relates to the questions I asked my informants, the variables I choose to focus on and so forth. By studying previous research, especially by PLAAS, and also discussing the cases and research-methods with well-informed individuals, I have tried to recognize this issue. The possibility of generalization or transferability is a difficult task in qualitative research. In quantitative research this is a matter of being able to look at the study in relation to a larger issue, in my case; land reform. By choosing my cases carefully, making use of previous research, official documents and interviewing relevant actors, I hope to be able to say something about the work connected to the land reform beneficiaries, at least in the Western and Northern Cape. By choosing cases carefully and base it on previous research and theories, there are viable chances of drawing lines to a larger area (Ringdal 2007: 221), however this has not been my main priority in conducting this research. As mentioned, my main interest has been to look at challenges and opportunities in land reform projects related to the concepts of social capital and communal problem solving.

Chapter 5: Theory

5.1 Introduction

When looking at democracies and solving public problems, there are a couple of theoretical traditions primarily applied. Xavier de Souza Briggs divide these theories in to three broad lines of tradition; “democracy as a contest among interest groups”, “democracy as an instrument for deliberation” and “Governance” (Briggs 2008: 7). Most efforts of investigating the land reform process in South Africa have looked at processes within the Government institutions, the policies they produce, and how well, if at all, these policies get implemented in the local communities. These efforts can be placed under the two former approaches mentioned by Briggs as it focuses on the strategic processes dominated by the leaders and elites of the country, but also the political competition and conflicts in bettering the lives of the poor emerging farmers in South Africa (ibid: 7). I wish to base my theoretical approach on the latter tradition; Governance. The tradition captures the idea of “managing collective life beyond the formal instruments of government” (ibid: 7). Rhodes (2003) discusses the term “governance” as opposed to governing and states that governance is reflecting a change in the common understanding of governing; it refers to a “new process of governing; or a changed condition of ordered rule; or the new method by which society is governed” (p.46). He further describes six separate ways of using governance, where ‘governance as self-organising networks’ is one of them (Rhodes 2003: 47). His description of this phenomenon is that it “sees governance as a broader term than government with services provided by any permutation of government and the private and voluntary sectors” (ibid: 51). Networks will in this context illustrate independent actors that are involved in the service delivery, in addition to the government and its administration. Governance will be the action of managing these networks. Furthermore, Rhodes claims that networks are self-organising; they resist steering from governments, shape their own environments and develop their own policies (ibid: 52).

Briggs (2008) postulates that this conception of democracy captures the notion that there must be 'social connection' and a capacity to work together in local communities in order to promote problem solving. This ‘connection’ has by some scholars been labelled ‘social capital’ which has been offered as a solution to various difficulties in society, especially within socially disadvantaged groups. The focus has been on improving social ties within the groups and building networks. However, there have been expressed a need to move beyond social capital in explaining mobilization of groups in achieving satisfactory outcomes; they

suggest that ‘collective efficacy’ is more relevant in explaining outcomes of collective action. Robert Sampson (1999) proposes that “social capital ...refers to the resource potential of personal and organizational networks, whereas collective efficacy is a task-specific construct that relates to the shared expectations and mutual engagement” (Sampson et al 1999: 635).

In South Africa, the land reform process up till this point has been largely affected by the governments’ neo-liberal politics. State policies and grants have directed what should be focused on and who should be the main beneficiaries. In rural areas of the country the trend has been for large groups or communities to apply for redistribution or restitution of land together. After the shift in the redistribution policies concerning the LRAD-grants, it has also been increasingly common for communities to pool their grants in order to have enough capital to buy land and start viable projects together. This is the case in the two land reform projects I have investigated. The Government have not hitherto had a trend of actively engaging in land reform projects, as they have chosen to follow the neo-liberal WSWB-approach, where they mainly provide land and monetary support for initiating the projects. Thus, several community projects fail after short duration of production due to lack of money, in-group conflicts, poor markets access etc. The main impression so far in the land reform is that the state institutions are unable to solve the problems that millions of South African land reform beneficiaries are faced with.

5.2 Outline of the Chapter

In this chapter I will look at theories contributing in explaining how small communities may strengthen their capacity to work together and problem-solve, and in addition how they through this may build relations to, and get included in agricultural governance-networks. ‘Social Capital’ has been introduced as a solution to issues concerning collectivities and how to make them coordinate their knowledge and capacities. Therefore, I start by introducing some of the research presented in the area of social capital. I focus on ‘communal problem-solving’ and theoretical contributions within this area of research. Initially I look at the social capital-concept and further see how the concept has been used and to some extent changed through discussions by various scholars.

In addition to the classical contributions of Coleman (1988), Putnam (1995) and Sampson (1999), I include the Nodal Governance thesis by Burris, Drahos and Shearing (2005). Burris and colleagues look at Governance and the distribution of power through a “nodal

governance” framework and suggest that it is essential to have an understanding of how power is distributed and exercised in order to promote just and efficient governance (Burriss et al 2005: 31). Nodal governance is “an elaboration of contemporary network theory that explains how a variety of actors operating within social systems interacts along networks to govern the system they inhabit (ibid: 33). These networks are often complex and can vary greatly in size and actors involved, however the characteristics of governance networks as of now, is that they entail a plurality of private and public actors which in turn form more or less consistent networks, a variety of mechanisms and rapid adaptive change (ibid: 31). Moreover, I will try to link this theory up against the South African agricultural networks connected to land reform.

Finally, I give an introduction of the variables I will use in my next chapters where I endeavour to examine the cases I have studied more closely. The variables ‘trust’, ‘the character of authority intervention’ and ‘networks’, are selected by going through previous research on land reform and rural poverty in South Africa, and moreover the theories and research I present in this chapter.

5.3 Communal Problem Solving

Why is it that interactions among some actors, may it be regions in Italy, neighbourhoods in Detroit or Land Reform projects in South Africa, work out so well while other group efforts, under seemingly the same conditions, fails so terribly? I will, in this sequence look at the discussion concerning democracy and problem solving, and identify traits within groups and communities that to a large extent may influence whether a project will be successful or not. According to Briggs, the “theory and practise of what makes democracy works necessarily include the study of problem solving in action and of the collective capacity to problem-solve – not only to deliberate about the world and set directions for government, but to change the state of the world through collective action, not only to devise and decide, but to *do*” (Briggs 2008: 8).

5.3.1 Social Capital

The concept of social capital was first discussed thoroughly in Pierre Bourdieu’s *Le Capital Social* in 1980. Some years later James S. Coleman (1988) and Robert Putnam (1995) followed up this work and helped develop the discussion further. Coleman wanted to “import the economist’ principle of rational action for use in the analysis of social systems proper, including but not limited to economic systems, and to do so without discarding social

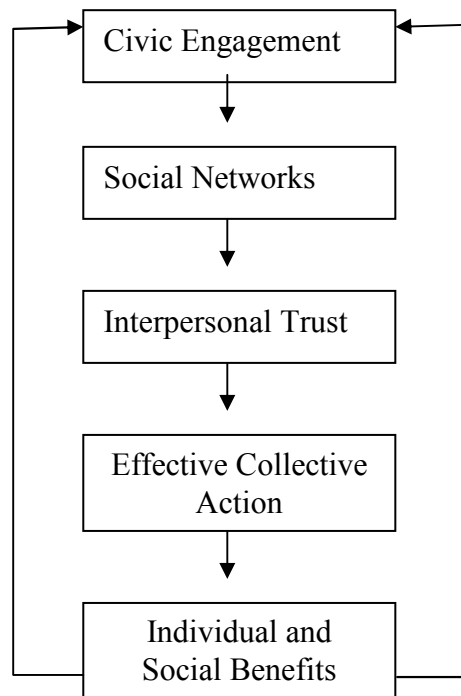
organization in the process” (Coleman 1988: 97). Hence, he uses the concept of social capital as a tool in the process of joining both a classical economic view of the rational actor and the sociological vision of the socialised actor, governed by rules, norms and obligations in the study of social action. He further defines social capital by its functions; it is a variety of units, but it has two elements in common: some aspects of social structure and actions of individuals within that structure. Like other forms of capital, social capital is productive; it makes the achievement of certain aims possible, which in its absence would be impossible. What separates this capital from other types on the other hand, is how it “inheres in the structure of relations between actors and among actors” (ibid: 98). Thus, it is not in the actors or in the implementation of production; it is in the relations between the actors. These actors may be individuals, institutions or corporation. How valuable the relations between the actors turns out to be, depends on the social organisation.

Social capital offers a solution to various difficulties in society and as mentioned, the initial contributions within the fields’ main focus was on improving social ties within the groups and building networks. However, there has been increasing debate connected to whether ‘strong links’ through close social networks are a necessity for collective action. Scholars have expressed a need to move beyond social capital in explaining mobilization of groups in achieving expected outcomes; they suggest that ‘Collective Efficacy’ is more relevant in explaining outcomes of collective action. Robert Sampson (1999) proposes that “social capital ...refers to the resource potential of personal and organizational networks, whereas Collective Efficacy is a task-specific construct that relates to the shared expectations and mutual engagement” (Sampson et al 1999: 635). The two approaches are quite similar, however the collective efficacy-concept view resources and networks as neutral; “they may or may not be effective mechanisms for achieving an intended effect” (ibid: 635). Further Sampson suggests that collective efficacy can exist outside the tightly knit networks, because it represents citizen’s active engagement. This, Sampson states, is not adequately represented in the social capital theory. In addition he proposes that strong personal ties in collective action might even hinder effective accomplishment. Thus, the discussions surrounding social capital, which has been followed up by collective efficacy-scholars, concerns network relations between individuals or groups, and factors, like trust and reciprocity, which strengthen the collective action⁴⁰. These traits or collection of constructs however, are interconnected. According to

⁴⁰ Unpublished paper; Rebecca L. Wickes: School of Criminology and Criminal Justice, Griffith University

William M. Rohe, social capital is most efficiently thought of as “a model linking constructs...: citizen engagement, interpersonal trust, and effective collective action” (Rohe 2004: 158). Rohe demonstrates the interconnection through this model of social capital:

Model 2: Social Capital



(Rohe 2004: 159)

This model is based on Putnam’s definition of social capital: “social organisations such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit (cited in Rohe 2004: 159). Further, it shows how those who are engaged civically will due to that engagement be involved in local social relationships, which will lead to greater interpersonal trust.

5.3.2 Collectivities

Burris et al. define a ‘collectivity’ as “any group of people living in the same place or that on some other basis identify themselves as a group for at least some important purposes” (Burris et al 2005: 34). The people in the collectivities produce outcomes, which are not necessarily caused by intentional action or activities alone, but rather through “the complex interactions of what people do, how they relate to one another, the institutions, technologies and mentalities they deploy, their biological equipment and the conditions of stimuli from the larger physical and social environment in which they operate” (ibid: 34). The authors name these collectivities ‘outcome generating systems’ (OGS). The outcomes produced in an OGS

may include ‘problems’, like hunger, sicknesses, crime etc., but also ‘goods’ as peace, economic efficiency, health and so on (ibid: 34). In the poor rural areas in South Africa, the trend has been towards chronic poverty⁴¹, huge amounts of people infected by HIV/Aids, unemployment, food insecurity etc (Kepe and Cousins 2002: 1). However, this is of course not the only outcomes that characterise these areas; firstly rural producers are ‘Jacks and Jills of many trades’ (Shackleton et al 2001:596). They use multiple, often land-based, strategies in order to create income and direct-use values, like livestock, cropping and natural resources. In addition there are often complex interconnections between livelihoods systems, both local and between rural and urban economies (ibid: 593). This describes how some communities in poor rural South Africa have an ability to understand the workings of the OGS and how to manage them. This is, according to Burris, Drahos and Shearing, one of the factors that will determine the degree of goods and problems that are produced by the OGS in that specific collectivity (Burris et al 2005: 35).

Further, the success of collectivities depends on the degree to which they make adaptations individually and how they together manage the OGS “that maximise their ability to tap and coordinate knowledge and capacity throughout the collectivity (ibid: 36). ‘The tragedy of the commons’ and ‘the prisoner’s dilemma’ are important allegories that captures this essential dilemma in social action; the issue of cooperation for mutual benefit. In both situations the best option for everybody involved is if they cooperate, but they also show that failure to cooperate does not necessarily reflect irrationality or ignorance; sometimes it appears more rational to be a ‘free rider’ (Putnam 1993: 164). If a collectivity is to function optimally there needs to be rules and regulations that directs the members. This relates to the ‘rules of the game’ or Bourdieus’ ‘habitus’. Some rules will be created consciously for management purposes, while others are not necessarily easily noticed, like ‘facts of life’ or religion (Burris et al 2005: 36).

5.4 Nodes

The outcomes within a collectivity may be influenced by factors controlled by the individuals within the collectivity themselves, but in addition it is important to acknowledge the factors that operate at a higher level of the group and sometimes also beyond their local physical

⁴¹ The chronic poor are those who experience significant deprivation over many years and/or whose deprivation is passed onto the next generation -

<http://www.devinit.org/PDF%20downloads/cprclaunchpres01.pdf>

environment (Burris et al 2005: 36). All areas of society are set in a physical and social environment of other collectivities, which sometimes overlap with each other. A collectivity is often linked to several other collectivities within the same OGS or as part of other OGSs. In example, a group of land reform beneficiaries will be affected by actions and happenings done by group members, like shirking or hard work, but also by the climate and whether or not it is a good season for the product they are farming. In addition they will very much be influenced by competition in the business, the markets (if there is a need for their products, if there is an increase or decrease in food prices etc) and so on.

Nodes are in this context defined as sites of governance. Burris, Drahos and Shearing consider it as a site within the OGS, where resources, capacity and knowledge are mobilised in order to manage the course of events (ibid: 37). Manuel Castells use a mathematical metaphor when describing nodes as “the sites where the ‘curves’ that constitute networks intersect” (cited in Burris et al 2005: 37). In this way, many powerful nodes may also function as access-points for the nodal network. Moreover, these nodes exhibit four essential characteristics: mentalities about the themes the node governs, technologies for influence, resources to support the influence and operations, and a structure that makes direct mobilisation of resources, mentalities and technologies possible (Burris et al 2005). The strength of each of these characteristics in a node will to a large degree decide how much power and influence it holds; over other nodes, but also in societies in general. It is important to establish that the nodes are real entities, not merely virtual nodes in a network of information. There must be some institutional form, even if it is temporary (ibid: 38). The nodes may be any type of organisation, ranging from criminal gangs to government agencies. ‘Superstructural’ nodes, on the other hand, are according to the nodal governance framework a node which brings together members of other organisations in the nodal network in order to gather their technologies and resources for their common good. One example of such a ‘superstructural node’ in South Africa may be the Land Summit in Johannesburg in July 2005 which gathered various land reform actors. Like researchers, government representatives and NGOs, under the banner “A Partnership to Fast Track Land Reform: A New Trajectory Towards 2014”. Here, the participators discussed achievements, progress, issues and experiences with land reform the past 14 years. The summit generated an increased debate concerning the land reform policies, and the WSWB-approach in particular (Lahiff 2008: 1). However, if it actually accomplished any progress or changes is debateable.

Whether or not a node has the capacity to influence or regulate the other nodes or the network, depends in large part upon the resources it controls. These resources can be a wide range of capital, i.e. social, physical or monetary, which the nodes may use in order to influence others and exert political pressure (Burriss et al 2005: 39). The most influential nodes involved in the South African agricultural network can be said to be located within government agencies like the DLA and the DoA; ‘the public land elite’ (Gran 2008: 1). The white commercial farmers’ interest organisations, like AgriSA, are also powerful nodes in the agricultural network. In addition, international organisations like the World Bank have quite some power and influence (Lahiff 2005, Saruchera and Odhiambo 2004, Saruchera 2004). However, there is a lack of powerful nodes at the grassroots-level in Africa in general, but also South Africa specifically. This may be said to have had coloured the hitherto performance of the reform. This is one of the main obstacles in South African land reform, while the politicians in power and the government agencies involved does not use their influence to push the land reform forward; it has not been a high priority among the political elite till this point. In addition the poor and landless does not hold the power and influence needed, and therefore their voice and demands are seldom heard or poorly articulated. Moreover, the NGOs in the land sector are small and have limited capacities (Lahiff 2001: 1, Catling 2008). The reform is influenced by the neo-liberal politics of the government, resulting in an extensive focus on making the emerging poor black farmers into profitable big scale commercial farmers. The claimants that do not fit the qualifications set by the Government will not gain much assistance from the land reform programme; “the participation requirements will tend to favour those who already have a reasonable strong asset base, and will tend to exclude those who have none. If the poor prove to be systematically unable to meet the requirements set by the DLA, they will be left out of land redistribution” (Lahiff 2001: 5). These are important factors in explaining the lack of progress experienced so far.

If the groups of land reform beneficiaries are to exert pressure and influence towards the South African agricultural networks, it might be necessary to strengthen the groups from ‘inside’. Some of the reasons for the extensive failure of many of the land reform projects till now are group-conflicts, poor management and other in-group related issues (Lahiff 2008, Interview Mr. van Jaarsveld 17.07.2008). I will in the next parts of this chapter look at the variables I will make use of in looking at the cases. The variables, ‘trust’, ‘relations towards government officials’ and ‘networks’, will hopefully help in elucidating how the two groups

of beneficiaries worked together, and moreover if there are differences in how they were linked to private and public actors, and moreover if these traits were decisive in the outcome of the two cases.

5.5 The Variables

The different subjects and theories I have looked at so far provide factors that may increase or inhibit chances of success for groups of land reform beneficiaries in the agricultural markets in South Africa. Lahiff comments in his report from 2008 that some of the reasons for the lack of impact from land reform projects are “inadequate or inappropriate planning, a general lack of capital and skills among intended beneficiaries, a lack of post-settlement support from state-agencies, most notably local municipalities and provincial departments of agriculture, and poor dynamics within beneficiary groups” (Lahiff 2008: 6). The variables I have chosen to apply in the research are trust, character of autonomy intervention and networks.

5.5.1 Trust

Firstly, I have chosen to focus on ‘trust’ as an important factor in strengthening the groups of beneficiaries from ‘the inside’. The concept of trust in this context relates to trust through strong ties and organisation within the group. In going through the contributions following the social capital theory, several of the scholars label trust as an important asset in creating strong collective action with high levels of loyalty and reciprocity. The suggestion is that strong interpersonal ties in a group will assist in keeping small groups together and also to keep them sustainable. Distrust, on the other hand will often lead to discrimination, antagonism and defensiveness (Askvik et al 2005: 4).

Sztompka identifies three dimensions of trust; trust as a quality of a relationship, trust as a cultural approach, and trust as a personality disposition. I will focus on the first dimension in my analysis. According to Sztompka, the most complex systems of trust appear in situations where one must cooperate. Cooperation occurs when we act together in attaining a goal which can not be reached individually. In these situations, the success of each one involved, depends on the actions taken by all others; “This significantly enhances the uncertainty and risk, as this is multiplied by the number of partners, each of whom is a free and principally unpredictable agent” (Sztompka 1999: 62). Hence, he states that trust is the precondition for cooperation, and also the product of successful cooperation. Conversely, distrust will destroy cooperation; “if distrust is complete, cooperation will fail among free agents” (ibid: 62). Factors that have been favoured by scholars when it comes to trust and collective action are a limited number of

players, ample information about the players and their history, and that the players do not discount the future too heavily (Putnam 1993: 166). Moreover; “It is necessary not only to trust others before acting cooperatively, but also to believe that one is trusted by others” (ibid: 164). Coleman uses a metaphor of credit-slips to explain the value of trust and reciprocity in group interaction: “If A does something for B and trusts B to reciprocate in the future, this establishes an expectation in A and an obligation on the part of B” (Coleman 1988: 102). The idea is that one may gather several of these credit-slips from various actors which one can call back when needed. This is of course unless one has placed its trust unwisely; this will count as bad debts which will not be paid back (ibid: 102). Obligation and expectation depends on two elements according to Coleman; trustworthiness of the social environment and the extent of obligations held. Some organisations, like rotating credit associations, would not be able to exist without a high degree of trust between the actors.

There can be said to be three orientations with which we face the insecurities and dilemmas in society; hope, confidence and trust. The first orientation is passive, vague and unjustified rational, in that it describes the feeling that everything will work out, in example “I hope I will be rich some day”. Its opposite is resignation. The second orientation, confidence, is also passive, but more focussed and somewhat justified. It may be describe as an “emotion of assured expectation” (Sztompka 1999: 24), while its opposite, doubt, may be describes as assured disbelief. One example of confidence may be that one has confidence in the legal system, because it has previously shown to be fair. Both these orientations are “contemplative, detached, distanced, noncommittal” (ibid: 25). In situations where we act, despite of risk and uncertainties, we make use of the third orientation, trust. Trust then, becomes a strategy for handling a future that is unclear and may not be controlled; “a simplifying strategy that enables individuals to adapt to complex social environment, and thereby benefit from increased opportunities” (ibid: 25). One definition of trust, presented by Sztompka is that “trust is a bet about the future contingent actions of others” (ibid: 25). Hence, it appears in the context of human action, and its orientation is toward the future. In addition it entails two main elements; beliefs and commitment. First, when placing trust, we have certain expectations and beliefs of how others will act and behave; accordingly we act as if we knew the future. Second, we face the future actively by committing ourselves to specific actions. Therefore trust can be defined as “the correct expectations about the actions of other people that have a bearing on one’s own choice of action when that action must be chosen before one can monitor the actions of those others” (ibid: 26).

When ‘placing a bet’, different varieties of commitments are involved. First, Sztompka identifies ‘anticipatory trust’. This kind of trust does not involve any obligation for the trusted, which may be the services or the products of a company. The trusted may, in fact, not even be aware of the trust placed here. Secondly, there is ‘responsive trust’, which implies letting other individuals take care of something that the truster cares about, “where such caring involves some exercise of discretionary powers” (ibid: 27). In this way, one places the responsibility of the object in some other individuals’ hands, which can be natural or artificial as in nations or companies. In this way one gives up one’s own control over the object while expecting responsible care taken by the trusted. In the first chapter of analysis, I will look at responsive trust with the variables ‘participation’ and ‘accountability’. Responsive trust will therefore in this paper relate to a trustworthy structure of the organisations. Through participation one will have a saying, or at least a feeling of participating, when it comes to the management of the land and capital one has invested in the organisation. Accountability is about responsibility on the management side; “this engenders a specific obligation to meet trust, to live up to expectations expressed by the act of entrusting” (ibid: 28). This notion of trustworthy structures through accountability also includes a degree of transparency; openness and adequate levels of information between the management and its environment. Through transparency the farmers are able to know exactly what is going on in the organisation, what the plans are for the future, what decisions that has been taken etc.

Third, Sztompka identifies ‘evocative trust’, as a final variable of commitment in trust. This is “when we act on the belief that the other person will reciprocate with trust towards ourselves” (ibid: 28). Also, a feeling of obligation towards other people or certain behaviour and activities is an important side of group-interaction and reciprocity. Obligation may be defined as “the state of being forced to do something because it is your duty, or because of law etc” or, in addition; “something you must do because you have promised”⁴². This is similar to the previously mentioned credit-slip metaphor that Coleman (1988) draws on to explain the value of trust and reciprocity in group interaction. In the context of land reform beneficiaries, this relates to trust within the groups of farmers; in order to work together and create well-functioning communal problem-solving and efficacy there needs to be a high degree of trust within the beneficiary groups. As I have shown previously, some scholars postulate that this

⁴² Oxford advanced learner’s Dictionary, 7th edition; Oxford University Press.

acquires strong links within a group, while others have pointed at dangers involved with having too strong links between groups of individuals in a community. In my analysis I will look at the evocative trust in the group with assistance with the variables 'history of the communities' and 'social cohesion'. Concerning the history of the community, this is by some scholars looked upon as a promoter of social capital in communities; norms of trustworthiness and reciprocity develop through a level of closure within the group and also that one has sufficient information about the members and their history (Coleman 1988: 105, Putnam 1993: 166). Coleman views social capital as evolving through a level of closure within the groups; through this they will develop norms of trustworthiness and reciprocity (Coleman 1988: 105). Moreover, repeated and intensive networks are important for the structuring and monitoring of social capital. Coleman thus concludes that social capital have two distinct functions; to assist solid social links which in turn are responsible for creating in-group loyalty, solidarity and mobilising norms of reciprocity; "close ties, through family, community and religious affiliation" (ibid: 99) is helpful in creating social norms, rules and regulations in a group of individuals, while breaking the other members' trust would aggregate serious consequences as in i.e. losing your position as a member of the community.

Coleman goes on suggesting that social capital is important for distributing information and opportunities, in order to link the group to external assets and create norms of generalised reciprocity⁴³. Social cohesion is an important promoter for healthy cooperation and social capital within a group; "cooperation occurs when we act together in attaining a goal which can not be reached individually. In these situations, the success of each one involved depends on the actions taken by all others" (Sztompka 1999: 62). Accordingly, it is essential that the group work towards the same goal, and do not divide into fractions of various groupings with their individual goals and strategies, which may cause insecurity and distrust amongst the individuals. In one act of trusting, all three types of commitment, anticipatory, responsive and evocative, may overlap, and it is therefore somewhat unnatural to separate them. However, I will in my analysis make use of this dividing in order to elucidate the variables I have chosen and their purpose when looking at trust in the two cases. As mentioned, I wish to look at trust in the group of beneficiaries through Sztompka's two variations of trust; evocative and responsive. In this way I hope to be able to say something about trust and trustworthiness in

⁴³ Unpublished paper; Rebecca L. Wickes: School of Criminology and Criminal Justice, Griffith University

both groups of beneficiaries. By separating between trust within the group of farmers and trust towards the management, I want to demonstrate that there is a difference between placing trust and commitment in your colleagues and trusting a group of individuals to manage your assets.

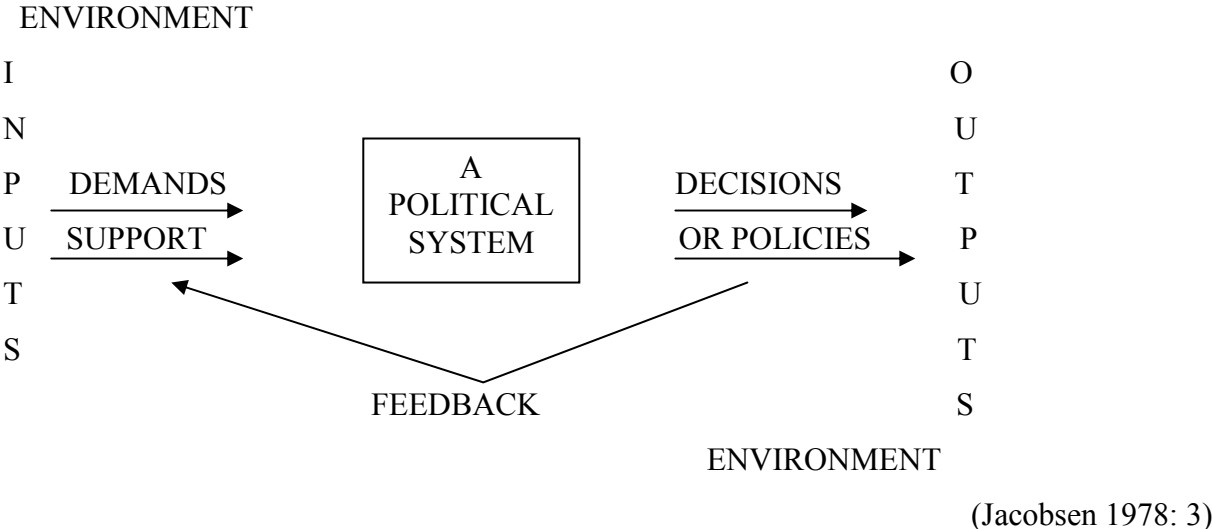
5.5.2 Character of Authority Intervention

My second variable, 'character of authority intervention', relates to assistance from government institutions. Several scholars mention 'third-party enforcers' as an important criterion for successful problem-solving in a community (Coleman 1988, Lahiff 2008, Seligman 1997, Putnam 1993). The fact that the poor rural farmers are such a fragile and weak group, in addition to the amount of failed land reform projects in the past in terms of "poor dynamics within groups of beneficiaries" (Lahiff 2008: 6), suggest that there is a need for assistance from government agencies in terms of financing, training, evaluation, monitoring etc. According to Lahiff there has been a growing understanding the past years that "the beneficiaries are receiving little when it comes to training, financial support or at all any support beyond the transfer of land. This might be a very important reason for why it is so difficult for successful claimants to actually launch productive and well-functioning enterprises" (ibid: 11). Seligman (1997) states, in relation to public goods and the lack of trust in some societies, that "without confidence all contracts, promises, and obligations - whether economic, social or political, public or private - can only be maintained by third-party enforcers" (Seligman 1997: 4). The purpose of the third-party is to be a neutral law-giver that both, or several, parties can rely on and trust in arranging their cooperation and creating norms and rules for them to follow. In Hobbes view, "if both parties concede to the Leviathan the power to enforce comity between them, their reward is the mutual confidence necessary to civil life" (Putnam 1993: 165). On a macro-level, we have laws and regulations that control how we can and can not behave in the public spheres, many of them printed and agreed upon in national constitutions. In a smaller scale though, one often needs to make additional regulations in order to create common norms and ways of behaving that is agreed upon by the members of the group. Norms and regulations have been put forward by several scholars as important in promoting collective action (Seligman 1997, Putnam 1993, Coleman 1988). This is to avoid free-riding, and that "traitors" will be punished. The public trust towards governmental agencies in South Africa has been decreasing due to corruption-scandals, lack of performance and delivery etc. Moreover there are other factors like the unfulfilled

expectations towards the promises of a “New South Africa” among the previously oppressed, racism etc., which make trust between the public and the state a difficult subject matter.

Knut Dahl Jacobsen (1978) did extensive research on the transformation of the agricultural system in Norway in the late 1900th century, and in this process, the relationship between the state officials and the clientele, the farmers. His research is to a large degree based on David Easton’s model of the political system:

Model 3: The Political System



Through this model Easton shows that the political processes are to a large degree shaped by demands from actors, or in this context ‘nodes’, in society. These demands are aimed at the political system, which further are considered political issues that certain actors in society demand should be resolved. This is what keeps the system running, but it must be paired by support, or legitimacy, in order for the political system to function. Further, the issues may, through the processes within the system, become decisions or policies. These in turn contribute with feedback, which in Jacobsen’s words are “a process to decide whether and in what scale the system gets new energy so it can go on functioning” (Jacobsen 1978: 3). Among other things, this model puts focus on how certain actors in society may shape the politics in society, in terms of which demands are put forward and moreover what policies and decisions that are made by a political system. Jacobsen makes an analytical separation between two different aspects of the decisions that are made: 1) a choice between alternatives that may refer to different values, views and social identifications, and 2) an establishment of

certain social relations between the official and the client in question. The second aspect will take shape through who initiates the decision, if the decision includes force and if there are any third-persons involved (ibid: 4).

As mentioned, the poor rural citizens of South Africa do not seem to have a high degree of power when it comes to influencing the decisions and policies made by the Government. According to Jacobsen (1967), this lack of influence and power is partly caused by the fact that poor people are not just poor when it comes to resources; they are subject to ‘political poverty’. This is further in line with Tilly’s argument that due to lack of ‘slack’, resources and time to organise etc., poor people are often not organised and thus does not exert any power to put pressure on government politics and policies (Gran 2006: 163). Further, when poor people are politically passive, they are not included in the political agenda and moreover, they can go on being ignored without there being any consequences for the people within the political system. Jacobsen goes on suggesting that the workings of political systems demands control by the affected clients themselves, something that further requires motivation and contribution from the clients’ side, which in turn will ‘reward the well-informed and outspoken, and punish the ignorant and silent’⁴⁴ (Jacobsen 1967: 9). Moreover, whether one is part of a ‘silent’ or ‘outspoken’ group will affect the relations one will have towards the government officials.

The variables that will be employed to look more closely at the relations towards government officials in chapter seven is related to the character of authority intervention in the projects. Hence I will compare the assistance they received from the state agencies in two periods of the projects; ‘launching the project’ and ‘post-settlement support’. By this I attempt to investigate whether there were any differences in amounts of support received in the initial phases of the project, relations towards the officials in terms of force or support, and moreover if they have received different/any degree of support after the projects got started. If so, I want to establish if this was an influential factor in the difference in outcomes in the two cases.

⁴⁴ Translated from Norwegian

5.5.3 Networks

Finally, I find links towards the greater networks to be of great importance in deciding whether or not a group of beneficiaries will succeed. This variable directs its attention beyond the group members per se, and focuses on the connections the group has towards the greater network of agricultural nodes. The idea is that strong interpersonal ties are important within small groups to keep them together and sustainable, while, in Putnam's words, "networks of civic engagement that cut across social cleavages nourish wider cooperation" (Putnam 1993: 175). Granovetter looks at the relation-ties to acquaintances as a crucial 'bridge' between groups of strongly connected individuals. He states that individuals with few weak ties will not manage to get hold of important information, which in turn may give you opportunities that you wouldn't know of if you only kept with your closest group of friends; your 'strong ties'. If one applies this communication-argument to a macro-situation, Granovetter points out that a social system without weak ties would be "fragmented and incoherent" (Granovetter 1973: 202). In this way ideas would spread in a slow manner, scientific progress would be limited and we would in general know little about what happened in other parts of the world than in our own little group of close contacts. Although Putnam seems to focus on the closure of a community in order to develop a healthy social capital within the group, he acknowledges Granovetter's work on the importance of weak ties in his publication: "Ironically, as Granovetter has pointed out, "strong" interpersonal ties (like kinship and intimate friendship) are less important than "weak ties" (like acquaintanceship and shared membership of secondary associations) in sustaining community cohesion and collective action" (Putnam 1993: 175).

The network I am referring to in my research is the governance networks concerning agriculture and land reform in South Africa. Due to white commercial farmers' previous domination in the agricultural markets, it may be vital for emerging farmers to have links towards or relations with actors within these established networks that may connect them to the industry. In South Africa, and especially the two regions I have looked at, about 70 percent⁴⁵ of land-owners are white. In a study by the SPP where they investigate land transfers in five regions in Northern Cape and Western Cape between 1998 and 2002, they state that 58 percent of property sold during this time-period was bought by people already owning land under the same title deed of the land they were buying. The remaining 42 percent

⁴⁵ Why do the landless remain landless? SPP 2002 www.spp.org.za

were property bought by people not owning land under the same title deed. In fact, the study shows that 98 percent of land sold in these areas from 1998 till 2002 were either bought by a private owner, a trust or a company⁴⁶. This however does not necessarily mean that all the buyers were established white farmers or companies, while one of my cases, the Vuki Farm, bought their land through a trust. It is, on the other hand problematic that the individuals that the land reform is designed for, the poor landless people, have been pushed aside. It seems like the people buying land are the ones that already have resources and connections, which in addition are supported by the LRAD-policy that demands an income of minimum R5000 per month in order to get grants to buy land from the DLA.

The report further suggest that internal markets, farmers attitudes towards land-reform sales and the high prices of land compared to the amounts received in grants are to blame for the distribution of property-owners in the region. The internal markets and sometimes negative and racist attitudes towards the beneficiaries achieving land are also mentioned as reasons why it may be difficult for land reform beneficiaries to enter the established networks. Although the South African Agricultural Marketing Act from 1996 dissolved the existing market-infrastructure that connected co-operatives, marketing agents, marketing boards and agri-processors “within the exclusively white “Organised Agricultural” networks”⁴⁷ that were managed by the state, the agricultural markets are still not as open and easy to gain access to as one had hoped for. In fact Qeque and Cartwright state that it has had an opposite effect then what was planned; “the deregulated and highly competitive nature of current markets has created new barriers for capital-poor emerging farmers”⁴⁸. They go on saying that many of these barriers are due to “the cost of information, risk, capital and the role of social networks and quality standards within the new market network. Collectively the barriers account for market failure and contribute to the persistent poverty in rural economies.”⁴⁹ An overarching

⁴⁶ Why do the landless remain landless? SPP 2002 www.spp.org.za

⁴⁷ Qeque and Cartwright: South Africa’s Agricultural Commodity Markets-Understanding the rules of the game in five commodity markets with the intention of creating opportunities for emerging farmers www.spp.org.za

⁴⁸ Qeque and Cartwright: South Africa’s Agricultural Commodity Markets-Understanding the rules of the game in five commodity markets with the intention of creating opportunities for emerging farmers www.spp.org.za

⁴⁹ Qeque and Cartwright: South Africa’s Agricultural Commodity Markets-Understanding the rules of the game in five commodity markets with the intention of creating opportunities for emerging farmers www.spp.org.za

factor in the land market is one of equality; the WSWB-approach assumes that the sellers and the buyers are equal. This is far from reality while the case for many of the land reform beneficiaries is that they have few resources and are poorly organised. Hence, they independently have to engage in the land markets while other buyers, like the established white farmers, have more information because they are part of tightly knit networks⁵⁰.

In order to investigate the connection towards private and public actors in the governance networks connected to agriculture and land reform in South Africa, I will try to establish if there were any difference in the two cases when it comes to ‘number of links’ and further the ‘utility of links’. By this I hope to find whether there are variations in the two groups of beneficiaries when it comes to cooperation with other actors and acquaintances in the agricultural industry, and moreover how they have made use of these connections. This might further establish whether the groups can be said to be able to manage, and to a degree control, their environments.

⁵⁰ Why do the landless remain landless? SPP 2002 www.spp.org.za

Chapter 6: Trust

Previous research on the mentioned collective efficacy, a form of social capital, has defined the concept as resting on patterns of small-scale social organization, dependent on proximate trust, social cohesion and the expectation that others will act with you if the need arises (Briggs 2008: 9). Like physical capital and human capital makes effective action possible, so does social capital. Moreover, when trying to accomplish social capital and consequently collective problem-solving in a group, trust is a factor that might make the process easier. James S. Coleman (1988) emphasise that “a group within which there is extensive trustworthiness and extensive trust, is able to accomplish much more than a comparable group without that trustworthiness and trust” (Coleman 1988:101). Distrust may be described as “the negative mirror-image of trust” (Sztompka 1999: 26). As trust, it involves placing a bet, the difference being that distrust places negative bets; it entails negative expectations about the future actions of others. Also, it involves defensive commitment as escaping and avoiding. Moreover, it is important to separate between distrust and the concept of mistrust. Mistrust refers to a neutral situation where trust and distrust are suspended. Further this condition is coloured by a lack of clear expectations and also hesitations concerning commitment. Sztompka postulates that mistrust is a temporary, intermediate phase when building trust, and moreover that it is either “a former trust destroyed, or former distrust healed”. However, when moving from trust to mistrust, it easily leads to full-fledged distrust, while mistrust resulting from “healed distrust” will move towards trust very slowly (Sztompka 1999).

In this chapter, I wish to analyse trust and trustworthiness in the two groups of beneficiaries that I have investigated. There are clear advantages of a high degree of trust in a community: “With a high degree of trust there is also less need for monitoring others as well as increasing openness and spontaneity within a group” (Sztompka 1999: 63). There are several ways in which one may approach an analysis of trust. I do not however intend to approach this in a cognition-based way, while I have no direct information neither through interviews nor documents concerning the individual farmers and their expectations concerning themselves and others (Grey & Garsten 2001: 232). Rather I wish to investigate the group-dynamics indirectly and whether there can be said to be a sound environment for trust between the actors involved in the two cases. Further, I wish to look at the groups of beneficiaries through Sztompka’s two variations of trust; evocative and responsive. In this way, by separating between trust *within* the group of farmers and trust *towards* the management, I want to demonstrate that there is a difference between placing trust and commitment in your

colleagues and trusting a group of individuals to manage your assets. This way of approaching the cases is based on the notion that besides interpersonal lines of trust in a cooperating group of individuals and generalised trust invested by each one of the individuals involved, there is a more abstract trust in organisational management like coordination, leadership, supervision that “safeguard smooth cooperation (“this group is well-organised and wisely managed”)” (Sztompka 1999: 63). The trust toward management is based on trustworthiness and confidence. “Trust as confidence relates to the proper performance of institutional roles, while trust relates to the ability to interpret roles, choose between them and move in the undetermined space between them”⁵¹.

I will try to analyse these notions of trust by looking at the history of the groups, social cohesion, participation and accountability. The two former ones being based on evocative trust, while the two latter ones are based on responsive trust, as mentioned in the theory chapter. The data I make use of in this chapter will be the organisational structures, the composition of the group, documents of communication between different actors in the projects, but also interviews with persons closely connected with the project and previous research in the field of trust but also on the specific cases. I did not interview any of the farm workers, and therefore I do not have any direct information from the farmers themselves. I will however try to grasp the group dynamics and collective efficacy in each group by looking at the interviews I did with Harry May at SPP, Jan Witbooi at Vuki and to a degree also the information I gathered through interviewing Alie van Jaarsveld with the Ministry of Agriculture and Henk Smith with the LRC. Harry May has extended knowledge on the group of farmers at Goodhouse, while he has been working with them since the beginning of the project. Jan Witbooi is part of the group of farmers that bought the Vuki Farm after the previous owners went bankrupt. Further I will, in the case of Vuki, make use of a previous study by Kleinbooi and colleagues. Here, they refer to other research done on the same group and also interviews they have conducted with the farmers. In looking at Goodhouse I make use of newspaper articles, and other documents that I have gathered, especially documents from the SPP and STC, that worked closely with the project. In addition I have various letters and e-mails that have been sent between different stakeholders connected to the project that I got hold of through SPP and LRC. Through these documents and indirect information and

⁵¹ Unpublished paper Jan Froestad: “Can Trust be Managed within Formal Organizations? Lessons drawn from a Study of a Municipal Health Agency in the Western Cape Province, South Africa”.

observations I feel I get a sense of how the community functioned together as a group. In the next sections, I will try to identify, through the information I have gathered about both groups in terms of documents and interviews, whether trust was an important factor in deciding the outcome in the two cases.

6.1 History of the Communities

Coleman claims that through closely linked groups where there are certain levels of ‘closure’; social capital will evolve through norms of trustworthiness and reciprocity (Coleman 1988: 105). With ‘closure’ he refers to the social structure of a group or community; in order for people to develop social capital there must be relations between the actors, which in turn, according to Coleman, acquires levels of contact and closeness between the individuals, hence there should preferably be restricted number of members in the group. Coleman views closure as essential while it is “important not only for the existence of effective norms but also for another form of social capital: the trustworthiness of social structures that allows the proliferation of obligations and expectations” (ibid: 107). My criteria for measuring trust with the variable ‘history of the communities’ will be that the group has some degree of history together; something that connects them, and thus a certain level of closure in the group since they know each other and thus may communicate freely together. Closure is hard to measure based on the data I have gathered. However I will try to say something about this based on information I have gathered on the history of the groups and for how long they have been farming together. This is based on Coleman’s view on social norms and its importance in order to gain social capital in a group of individuals.

Coleman suggests that “social action inheres in the structure of relations between actors and among actors” (ibid: 98). Further, he uses the diamond markets in New York as an example in explaining how “close ties, through family, community and religious affiliation, provide the insurance that is necessary to facilitate the transactions in the markets. If any member of this community defected through substituting other stones or through stealing stones in his temporary possession, he would lose family, religious or community ties” (ibid: 99). Hence, in order to sustain trust within a group one of the criteria may be that the group is ‘closed’ to some extent and through this that information may flow freely. Through this structure in the relations between the members, Coleman suggests that social capital and further collective action is made possible. Seeing as the communities I look into have been connected as a

community for generations, I will try to research whether this may be a promoter for trust among the community members.

Vuki started up being 124 farmers entering the equity scheme, but ended up as 37 after the liquidation and the process of renting and finally buying the land. Hence, the farmers involved in the Vuki Trust are all previous farm-workers at the Whitehall farm. Some of the families worked for the Hall family for more than 30 years before they took over the farm land. Because of financial difficulties the farm workers entered into cooperation with the owners, the Hall family, in 1995. This cooperation worked as an equity scheme, where the Halls' kept 50 percent of the shares and the farm workers purchased 50 percent. In 2001 the farm experienced further financial difficulties which resulted in the liquidation of the farm in January 2002. From there of the farm-workers took over the production, first through renting the farm from the liquidators and from 2005 as owners through the Vuki Trust (Interview Mr. Witbooi. 28.05.2008, Kleinbooi et al 2006). The production manager at the Vuki Farm, Mr. Witbooi, regards a restricted number of people in the group of beneficiaries as an advantage: "You see we must be very careful to make our group too big. When you make it too big your trouble are bigger. And the government with all the legislation make it much difficult for you. So the smaller your group... but it must be...manageable. The better, then you can talk with each other, with everyone" (Interview Mr. Witbooi. 28.05.2008). Also Mr. van Jaarsveld with the Ministry of Agriculture found restricted group size to be of importance: "as it is, one commercial farmer struggles to make a living out of agriculture. So how can you now, in terms of government programmes, of empowering people economically and otherwise, think that you can have a hundred people, maybe fifty families, cause two individuals per family, how can you expect them now to make a good living out of a farm like that?" (Interview Mr. van Jaarsveld 17.07.2008). Most of the beneficiaries live with their families on the farm land while some other families live in the villages nearby. In addition to the beneficiaries of the trust, there are also about 250 seasonal workers coming every fall to help pick the apples. These temporary workers are mostly from the Eastern Cape and live in hostels at the farm while they are there.

Mr. C Weidner of the Oudsthoorn Land Development Company took over the Goodhouse farm the 4th of April 1913. The farm was later bought by the Gordon family in 1944 before the Government took over the area in 1948 for renting it to white farmers. The last white

farmer to rent the land was Mr. C Rossouw in 1964⁵². Some of the families that worked for Mr. Weidner still live in the Goodhouse area today. After the white farmer tenants, it have mostly been farmers from Steinkopf that have been farming at Goodhouse. Because the Orange River is flowing past the Goodhouse area, the area is quite convenient for irrigation farming. Hence, some families started moving to Goodhouse, using it as graining areas, made flood irrigation systems etc. There have been several other irrigation projects previous to the Goodhouse Paprika Project, but according to Harry May, these projects have mostly been arranged for farmers from Steinkopf while the Goodhouse community have been used as labour. The Goodhouse Paprika Project involved 55 beneficiaries. The majority of these beneficiaries came from the Goodhouse community, while a couple of them came from Steinkopf (Interview Mr. May 11.12.08). The developers were approached by the Provincial Government in the Northern Cape to start this project in Goodhouse with the families that lived there. In addition to the 55 beneficiaries, there were 78 workers at the factory in Springbok, and plans of employing as many as 1500 additional workers at the farm⁵³. I do not have any information on whether these additional workers were included in the project before it went bankrupt, but this is something that probably would have disturbed the existing benefit of being a community with a restricted number of members and therefore a level of closure. In situations where several members has to cooperate in order to reach common goals, which can not be reached individually, the success of each of them depends on the others involved, therefore the more people are included the higher is the risk; “This significantly enhances the uncertainty and risk, as this is multiplied by the number of partners, each of whom is a free and principally unpredictable agent” (Sztompka 1999: 62). Further, some of the farmers involved in the project were from Steinkopf, the village close to Goodhouse (Interview Mr. May 11.12.2008). Whether this have affected the group in any way is hard for me to say, due to the fact that I have not discussed this issue with the farmers in Goodhouse, and moreover no data confirming or denying this to be an issue. Harry May with the SPP has spent much time working with the project and the members of the Goodhouse community, and he did not express this as a contributing factor to the projects failure. Goodhouse is part of the Steinkopf area and farmers from Steinkopf did own land in Goodhouse and may therefore not have been considered as ‘outsiders’. On the other hand they may have been a component that disturbed the relations within the group. Distrust will destroy cooperation within a group. As

⁵² Document from the Steinkopf Transformation Committee - SPP

⁵³ Business Plan, files from the SPP

mentioned, some of the factors that have been put forward by scholars when it comes to trust and collective action are a restricted number of actors and ample information about the actors and their history (Putnam 1993: 166).

Going through the information I have on the groups of beneficiaries, it seems like both are rather closely connected through having lived together as a community for decades; however there are factors in the Goodhouse-case which may have been limiting the trust between the farmers. Both set of farmers entered the projects as a community; there were no process of selecting individual farmers, rather the groups were included in the respective projects as an already existing community of farmers. Consequently, the closure and restricted number of individuals involved is apparent in both cases. How strong the links between them are and how much trust the groups contain on the other hand, is hard to measure from the data I have gathered. I have not conducted any interviews with the beneficiaries at Vuki or at Goodhouse, and do therefore not know whether they can be said to be a strong social network or if there is a high degree of trust between them. However, the families involved have known each other and worked together for generations, something that indicate that there is closure in the group.

6.2 Social Cohesion

In addition to being small groups with degrees of closure and strong links, it is essential that the group work towards the same goals in order for them to create trust towards each other and within the group; “the success of each one involved depends on the actions taken by all others”(Sztompka 1999: 62). Further, “because the success of each requires the contribution of all, the cooperative situation, apart from having all the normal types of risk: that others...will defect and make the efforts of the rest futile. The risk is significantly raised when the goals to be achieved by cooperation have the character of public goods, eventually beneficial to all independent of the degree of their contribution” (ibid: 63). The goods with reference to the farmers in my cases, are first and foremost profit from their investments and employment, but also other goods like health facilities, schooling etc. A feeling of obligation towards other people or certain behaviour and activities is an important side of group-interaction and reciprocity, while social capital as collective efficacy “inheres in the structure of relations between actors and among actors” (Coleman 1988: 98). On the other hand, social cohesion does not necessarily mean collective action through consensus. It is widely recognised that any collective project or organisations will benefit from divergent thinking and conflicts. However, the collective will best make use of conflicting ideas and thoughts

through “robust and flexible mechanisms for “getting to yes” as well as space and rules for “having a good fight” (Briggs 2008: 42). Without any mechanisms for conflict resolution, valuable differences in the group may quickly turn bad, which in turn may reduce the group members’ willingness to deliberate, engage etc.

Once more, the data I have collected is weak when it comes to explaining how exactly the group members related to one another. However, I will try, by indirect information based on the data I have gathered, to give an impression of whether the farmers pulled in the same direction, and moreover if the ambitions of the management and the farmers are corresponding. The criteria for measuring the social cohesion will first and foremost be the interviews I have conducted, but in the case of Vuki also the previous research by Kleinbooi, Lahiff and Tom in 2006. In addition I will look at mechanisms for handling conflicts in the two cases through documents describing the management of the projects, i.e. the report from the Transformation Committee in the case of Goodhouse, and the DLA-files on Vuki. I will evaluate ‘social cohesion’ through mechanisms for conflict management and common goals.

First of all, both groups farmed together on the common land. That everybody engages in this to make the production go smoothly is an essential ambition. At Vuki the farmers got off to a great start when they managed to obtain the highest profit in ten years the first period they farmed together without assistance from the Whitehall-family. It is likely that this made the people trust each other more as it showed that they all, both farmers and management were doing their best to make the project successful; “This brief experience convinced the workers that they had what it takes to make a success on the farm” (Kleinbooi et al 2006: 27). Further they made a plan to purchase the farm back from the liquidators, this time on their own. In order for them to take this step, there must have been a level of trust and common ideals among the members while the action to take over the land and farm on their own entails an amount of risk. In order for this risk to be minimal, the group had to be united in their decision. As mentioned, the data I have collected when it comes to interaction and trust between the members of the group is limited. I have however, gathered some opinions about the group through the data I have collected; “It is obvious the that the participants are very enthusiastic about their farming venture and have managed to make a very noticeable

difference to the profitability to the farming operations within the two last years”⁵⁴(sic). In addition Alie van Jaarsveld with the Ministry of Agriculture expresses these thoughts; “I think what you found on the farm is probably a very well organised, very well structured group of people. They do their own management. But Clive (MacKrill)⁵⁵ spent a lot of time in terms of conflict-management, group-dynamics, and also human capital development in terms of the development of the people” (Interview Mr. van Jaarsveld 17.07-08). Hence, there has been specific work on conflict management on the farm. According to the business plan the Vuki management has handed in to the DLA, Mackrill’s tasks are mentorship, guidance and training.

Moreover, at Vuki the management are part of the group of farmers that bought the farm from the previous owners. This may be an advantage when it comes to trust, in that the farmers and managers are “on the same team” and have known each other for years. On the other hand this is a problem when it comes to the uneven distribution of reimbursement and other benefits. Seeing that all the farmers and managers at Vuki are beneficiaries of the land and property at the farm, there has been some dissatisfaction with the arrangements on the workers behalf. In Kleinbooi, Lahiff and Tom’s study (2006) they refer to several workers that demonstrated frustration with the project; “We thought maybe it will bring a bit of extra money but not a better life. The problem was we never saw any money, not even today”, “it is all about the money, ‘ek wil n’ leefbare loon he’ (I want a living wage) (Kleinbooi et al 2006: 30) expressed some of the farmers they interviewed. The research further concludes that there is a need for the workers to feel more than that they are merely working for a capitalist employer and start to enjoy the benefits of co-ownership. The majority of farmers interviewed by Kleinbooi and colleagues did not experience any difference in their lives after they became co-owners of the Vuki Farm. Due to this, Kleinbooi, Lahiff and Tom arguments that one can view Vuki as more of a Black Economic Empowerment (BEE) project for the members of the workers who have entered the management positions rather than as a workers cooperative like suggested in the formal structure (ibid: 31). On the other hand, research by Eckert and others in 1996, showed high levels of employment satisfaction and also a labour productivity increase of 30 percent following the buy-in in the Whitehall farm (ibid: 26). Also, the Vuki

⁵⁴ Memorandum from Kelly Theunis, chief planner, Stellenbosch Regional Office of the DLA to Jimmy Freysen, Regional Manager, Cape Winelands & Overberg Districts of the DLA 2004

⁵⁵ Clive MacKrill is the Management Consultant on the farm

business plan from 2003/2004 claims that there has been a substantial increase in the minimal daily wage, and moreover that they now rank as one of the production units with the highest average daily wage in the Western Cape⁵⁶. Although there is some dissatisfaction with the dividends among the farmers, I find it in this context important that they seem to be able to discuss their disagreements, have channels through which they communicate, and also rules they follow in terms of the signed Deed of Trust. This in turn demonstrates that there are space and rules for divergent thinking and conflicts in the organisation.

At Goodhouse, the production went well in the initial period; the farmers had high hopes for the project while there had been much optimism and high expectations from media, government and the community before it started. As time went by however, the group got divided as they wanted to obtain their goal in different ways. The farmers divided into two different coalitions; pro and anti- expropriation and got each their representatives from outside the community. Based on the information I have gathered I would say that the conflicts and discussions in the Goodhouse case were not managed well; “you had these two groups and then they weren’t talking to each other(...)I mean, so they were always fighting against the other (Interview Mr. May 11.12.2008). Also in the business plan-proposal there were not any planned mechanisms for handling conflicts or disagreement in the group; “Negative behaviour must be seen as counter productive in terms of a safe, friendly and positive community”⁵⁷. It is important that the management and the workers pull in the same direction when it comes to trust within the group and social cohesion. At Goodhouse this became difficult as the group of farmers got divided partly as a result of the management. Both researchers I talked to at SPP in Springbok found the management of Goodhouse to have been the main problem of the project. Mr. May at the SPP in Springbok also states that some of the farmers were co-opted by the managers (Interview Mr. May 11.12.2008).

There was a severe lack of conflict management in the Goodhouse-organisation. However, like the managers wrote in a document with responds to questions from the Transformation Committee; “this is a project run on purely business basis as it is a private sector controlled project in terms of the Principal agreement with government. Government are the facilitators of the land redistribution and sustainable Agricultural development aspects of this project

⁵⁶ Vuki business plan 2003/2004 - DLA files

⁵⁷ Business Plan Proposal, LRC-files.

only...Labour issues will be determined as in all business by the productivity of the labourers themselves in the sense that if a labourer is unproductive he will obviously be replaced as is the case with any business”⁵⁸. The developers have signed an agreement with the farmers, which entitle them to manage and run the project for a period of five years in order to establish the project and provide skills to the farmers through training etc. Hence, it seems like there were minimal focus on the social aspects of this project, while the managers considered their task to be building a profitable business. Goodhouse was, and still is, a severely deprived community with desperate need for social development and that was also why the Provincial Government hired the developers to build a profitable project in the first place. However, it seems to have been an uncertainty or disagreement as to who was responsible for the social aspects of the project and also who should tend to dispute resolution and conflict management. The business plan says nothing when it comes to this area of management, and in a document from the management to the Transformation Committee, the management emphasises how SPP is under mandate from the Provincial Government to take care of dispute resolutions in the project⁵⁹.

According to Alie van Jaarsveld at the Ministry of Agriculture, what happened with the group of farmers at Goodhouse is quite ordinary in land reform-projects in South Africa; “And then very often then what happens is that the first six months, yeah, everything is fine. There’s expectations and...expectations which is most probably sometimes very, very unrealistic. And then they start fighting amongst each other, group-forming, and eventually the project is a side-issue and the fight between the people in the group becomes so major that, you know, they forget about the farming and... and that’s were most of the failures actually comes from” (Interview Mr. van Jaarsveld 17.07.2008).

6.3 Participation

By ‘participation’ I refer to a “degree of involvement and ownership of affected stakeholders” (Hyden and Court 2002: 27), the stakeholders here being the farmers involved in the two projects. Consulting the stakeholders which are very much affected by decisions is not only a must in any democratic society, it is also psychologically important; “People are

⁵⁸ Answers to the Transformation Committee’s Questions; ad Para 23, SPP-files.

⁵⁹ (Submission to Transformation Committee of Steinkopf, Northern Cape from Mr. Labuschagne – The GPP files (SPP).

much more likely to be satisfied with decision outcomes when they feel they have been heard, even when the decisions are costly and unpleasant” (Briggs 2008: 40). In addition, consulting others may produce better decisions; ‘two heads are better than one’. “Managed well (and those are the key words), inclusionary groups and processes, which blend different sources of knowledge and disseminate knowledge too, can generate better, more actionable ideas than top-down, exclusionary, technocratic planning” (ibid: 41). As mentioned previous in this paper, social capital “inheres in the structure of relations between actors and among actors” (Coleman 1988: 98). Moreover, how valuable the relations between the actors turns out to be, depends on the social organisation. Consequently, I will look at the organisation for participatory action in the two cases. I will try to do this through looking more closely at what channels the farmers have for participating in decision-making, and if there are any regulations that control this right to participate. I will make use of documents describing the structure and management of the organisations in investigating this, documents of communication between the management at Goodhouse and the STC, but also some of the interviews in describing how this part of the organisation functions.

At the Vuki farm, the workers are participating through being co-owners of the land and beneficiaries of the trust. The previous workers at Whitehall are 100 percent owners of the land and all fixed property. Still, some of them have remained workers while others are managers in Vuki Farming (Pty) Ltd. The Vuki Trust has an Annual General Meeting where one of the members of the Board of Trustees is appointed to be Chairperson the following year. In addition there shall be appointed a secretary and a treasurer of the Board, the balance sheet and the financial statement of the affairs of the Trust are to be considered, election of an auditor, determine a quorum for all meetings of the Board and consider and decide any other issues that may be raised. In addition there should be held ordinary meetings as often as considered necessary⁶⁰. There are clear rules concerning objects of the Trust, the power of the trustees and what disqualifies them, the beneficial interest etc. With these regulations and possibilities for the beneficiaries to affect the managing of the Trust, there are good conditions for participation and co-determination. Whether the farmers are heard in the day to day workings of the farm though, is harder for me to establish from the data I have gathered. Through interviewing the production manager at the Vuki Farm however, he made the impression that they all know each other and by being a small group it is easy to discuss

⁶⁰ Deed of Trust - DLA-files

issues when they arise; “So the smaller your group... the better...then you can talk with each other, with everyone” (Interview Mr. Witbooi 28.05.08). The management team at the Vuki Farm has weekly meetings where they plan ahead and go through budgeting etc (Interview Mr. Witbooi 28.05.08). My impression, based on the information I have, is that the farmers have a model of direct participation which is not particularly well organised besides the annual Trust-meetings.

At Goodhouse, the model of communication was the following; the main “communication artery” was to be from the five different phases of farm-activities through the management committee and further to the management. The farmers in each of the five phases had to elect a group leader, which is then a member of the management committee as a representative for that phase or that group of farmers. Each of the five groups was to get together early every week, before the management committee gathered in the end of the week to tend to the issues raised at the former meetings. Information was also meant to “flow” back to the farmers in the same manner⁶¹. The participation may therefore be described as a representative one. The farmers did have adequate possibilities to participate and bring up issues, not directly, but rather through informing their representatives through meetings. This is the model that was suggested by the developers in the business-plan which was proposed to the provincial government. According to Harry May though, the meetings did not bring up relevant subjects and the workers did not really have a saying in how the project was managed. ”So I mean it⁶² wasn’t about the issues of workers and of the project itself and that...you could have meetings discussing labour issues or ‘you’re not working at the right pace’” (Interview Mr. May 11.12.2008). Hence, it seems like the farmers did not use their opportunity to represent their issues towards the management through the model of communication that was proposed.

As the conflicts and frustration in the project grew, the farmers have adopted an even more representative model when it comes to the conflict between them, where they have people from outside the project as representatives for the groupings. The two opposing parties got in touch with each their representative actors; Mr. Labuschagne and the STC. The STC further worked together with the Northern Cape SPP, which in turn got assistance from the LRC in Cape Town. Mr. Labuschagne represented a fraction of the farmers, the ones that were pro-

⁶¹ Goodhouse Business plan - LRC files

⁶² The meetings

expropriation. Early in 2002 these farmers signed an agreement which entitles Mr. Labuschagne to “investigate an allegation that their land rights could be infringed upon”⁶³. The remaining farmers were represented by the coalition STC, SPP and LRC. Further, apart from representing some of the farmers, Mr. Labuschagne also was under mandate of the Gili Group of Companies, which means that he is also working for the developers of the Goodhouse Project⁶⁴. The management communicated through Mr. Labuschagne in the conflicts (i.e. documents between the Transformation Committee and the management), while he at the same time was representing one side of the group of beneficiaries. This further increased the frustration in the community.

6.4 Accountability

Accountability is by Rhodes defined as “holding individuals responsible for their actions by a clear allocation of responsibilities and clearly defined roles” (Rhodes 1997: 48). Hyden and Court adds to this that one should also, as an accountable actor that promotes ‘good governance’ be “responsive to public demand” (Hyden and Court 2002: 27). Promoting clear responsibilities and roles also demands a management organisation with levels of transparency towards their employees, but also the environment in general. A high level of transparency refers to openness and satisfactory information and creates trust between management and workers and also within the group of workers. Jan Froestad suggests that ‘Playing with open cards’ and offering information about relevant political and social processes “is an adjacent strategy to reduce staff insecurity, and to build a managerial reputation for being honest and open”⁶⁵. I will look at accountability in the projects through the documents I have on the organisation in the projects, research by Kleinbooi et al, communication between actors in the Goodhouse project and the information I have gathered through interviews. Further the concept of accountability will be measured through responsibility taken by the management and clearly defined roles.

The Vuki project is organised around two legal entities; Vuki Trust and Vuki Farming (Pty) Ltd. Vuki Trust is the owner of all the fixed property and land on the farm and is the only

⁶³ Submission to Transformation Committee of Steinkopf, Northern Cape from Mr. Labuschagne – SPP files

⁶⁴ Submission to Transformation Committee of Steinkopf, Northern Cape from Mr. Labuschagne – SPP files

⁶⁵ Unpublished paper Jan Froestad: “Can Trust be Managed within Formal Organizations? Lessons drawn from a Study of a Municipal Health Agency in the Western Cape Province, South Africa”.

shareholder in the operating company. The Trust is run by seven elected trustees. The Vuki Farming (Pty) Ltd is the main source of funding by the trust and it has appointed directors which are responsible for the corporate governance of the farming operation. The operation is further managed by using a consultative management forum that consists of seven managers in various fields of expertise which are further supported by technical consultants⁶⁶. Vuki has developed a model of organisation that has worked well. In fact, because of their well rumoured management structure, they were approached by the people that bought one of the neighbouring farms, South Hill, and asked to manage and run the farm for them (Interview Mr. van Jaarsveld 17.07.2008). However, as mentioned, there has been some dissatisfaction amongst the farmers in that they think it is too big a difference between the former workers that now are managers and the farm workers. Interviewing Jan Witbooi, who is part of the management team, he emphasised the importance of separating between workers and management: “It’s a very difficult thing because if you go partnership with your workers always remember that workers is not business-people. The workers is workers. Farm workers. And, you can’t expect from farm-workers to be (...) business-men. And to be marketers” (Interview Mr. Witbooi 28.05.2008). Consequently, the management takes the main responsibility in running the farm, and the workers do not have a direct impact on the managing of the farm. Witbooi explains it this way: “when you own a thing everyone they want a cut off it. You see. And if your management is not good enough then the next year there is nothing. And *that’s* the problem. That’s why I said we as...directors in the management team we run the business side of the Vuki Trust. And Vuki Trust is the only owner of the business. We must see that there’s enough money to run the business. And... then your mentor must foresee that there’s no misconducts (...) I think that’s the success of Vuki” (Interview Mr. Witbooi 28.05.2008).

Further, there seems to have been openness concerning plans, communication and the running of the organisation. This is most apparent by the fact that they have several consultants coming in every month to make sure that “the business is running smoothly, the money is spending wisely” (Interview Mr. Witbooi 28.05.2008). In fact, Kleinbooi, Tom and Lahiff (2006) states that what is central to the success at Vuki is part their extensive involvement of skilled consultants (p. 66). Further they propose that this aspect should maybe be more emphasised in land reform projects in general. Moreover, the management has a close

⁶⁶ Vuki Business Plan – DLA files

cooperation with government institutions and the municipality when it comes to using their agencies for support mechanism like training, advice etc. However, the production manager at the farm emphasised that they had no aspiration of getting into too close relations with the government agencies; "...the government with all the legislation make it much (...) difficult for you" (Interview Mr. Witbooi 28.05.2008). Anyway, all though there are no formal bonds as in permanent formal meetings etc between the government agencies and the Vuki Farm, it seems to be openness between the management and its surrounding environment towards the municipality and provincial government. When it comes to openness towards the farm workers, this seems to be in place through the routes of co-determination that has been established, furthermore there is a deed of trust which describes how the Trust is to be managed, how often there should be meetings between the beneficiaries of the Trust, rules for payments to beneficiaries etc⁶⁷. Through these clear guidelines and a general meeting once a year I got the impression that there are high degrees of transparency in the group. Moreover, due to the fact that the group of permanent workers contains few people, it is quite easy to keep control over what is happening within the group, if there are any conflicts etc. Also, since all the permanent farmers at Vuki are co-owners of the land and beneficiaries of the Vuki Trust, it does demand a level of openness and communication when it comes to processes and management of the farm.

Moreover, the workers receive benefits as beneficiaries of the trust. There have been established an evening school where one may have schooling in literacy. There are also courses in computer literacy. In addition there is a nursery, first-aid clinic, aftercare, health facilities, possibilities for agricultural training and the workers may obtain interest-free credit to use specified doctors. There is undoubtedly a value in the long-term benefits for the beneficiaries of the Vuki Trust when it comes to social benefits, employment, housing and participation in decision-making (Kleinbooi et al 2006: 31). The majority of the workers (21) with their families live rent-free on the farm, and the ones that do not live on the farm area receive a housing allowance of R100 per month and free transport to the farm. Over 20 houses have been refurbished since 2002 and the workers are given a certain amount of free electricity per month which is paid by the farm (Interview Mr. Witbooi 28.05.2008, Interview Mr. van Jaarsveld 17.07.2008). There is a media centre with computers available for the workers and their dependants free of charge and a number of bursaries have been given to

⁶⁷ Deed of Trust, Vuki files DLA-files

family members of the workers so they may attend tertiary institutions. Moreover, there is established a pensions fund, funeral policy and disability policy (Kleinbooi et al 2006). Thus, although there has been expressed some dissatisfaction among the farmers due to the difference between the former farmers in management and the ones that still work the land, there are clear roles of conduct in the organisation and the management takes responsibility for running the business sustainably and also for improving the social aspects of the beneficiaries' lives through improved housing, schooling etc.

At Goodhouse, NOCAL (Pty) Ltd was a partnership between Gili Greenworld Holdings and Variety Holdings, with Gil Arbel as owner of the former, and Andre Hendricks as holder of the latter. These two companies had each 50 percent shares in NOCAL. Further, the Goodhouse Agricultural Corporation (Pty) Ltd was established. Gili Greenworld had 26 percent of the shares in the corporation. That left the farmers with 74 percent in which the Northern Cape Provincial Government had a 20 percent share on behalf of the farmers⁶⁸. However, going through the business plans and proposals for the project, the set-up of the ownership and how much percent ownership the different stakeholders have in the two companies varies quite a lot. The suggestion in the proposal however was for the managers to control the business for five years, or until the farmers themselves were ready to take over the daily managing of the company. Looking at the proposal for the Goodhouse project, there seems to be a high degree of accountability from the management. They have covered most areas of development, set up a model for communication etc⁶⁹. However, most of the promises in the business plan were not followed up.

Transparency was one of the major issues at Goodhouse. The management did not show much openness towards government institutions or the Goodhouse community. First of all, Mr. Arbel who was one of the developers and proposers of the Goodhouse Paprika Project also did the feasibility studies in the area. Thus, he overemphasised the positive contributions of the project and did not consult any of the local inhabitants in Goodhouse or the surrounding area when it comes to climate and suitability to grow paprika etc. Mr. May with the SPP and Mr. Smith at the LRC were both sceptical as to how the project got accepted under these dubious and in fact illegal circumstances. Mr. May states that “political mingling” between

⁶⁸ Appendix VII

⁶⁹ Business proposal-LRC files

the developers and some government officials was apparent in all stages of the project. Secondly there was a lack of information and communication between the management and the governmental institutions involved in the project through extensive funding and grants; “currently it seems as if Provincial Government is playing a very limited role. They are not involved in project development planning, implementation or monitoring”⁷⁰. Further, when the paprika factory opened, it was decided that there should be a forum where the developers and, amongst others, the NamaKhoi municipality were supposed to discuss issues concerning the project, something that did not take place. Mr. van Wyk goes on saying that he feels that the main reason for the frustration that emerged was poor communication between NamaKhoi and the project managers, and also that “the lack of a clear project plan with a clear development path and a clear role for the municipality contributes to the frustration”⁷¹. In addition there were not much openness between the management and the farmers at Goodhouse; “it wasn’t very transparent, I mean they didn’t provide people adequate information” (Interview Mr. May 11.12.2008). The management gave varying degrees of information to the different farmers in the project; it seems like they were choosing some farmers to be part of the “in-group” while some of them were left out; “So...I also think the relationship between the management and (...) the people on the ground were unequal, and totally...in terms of information” (Interview Mr. May 11.12.2008). Further, the management made many promises, like easy market access in the proposal for the project, which they did not manage to keep. The market access and extended export of paprika did not work as planned; “And I mean also the demand for paprika that say... he⁷² said it was such a big demand but it wasn’t, and also the price of...everything was inflated and in the end they had a big problem, I mean they produced all this paprika, but they couldn’t sell it” (Interview Mr. May 11.12.2008). This fact might also have damaged the trust-relations between the management and the farmers while the managers made several promises that they could not keep. In example there were a proposal of an extensive Human Resources Management with committees concentrating on disciplinary matters, training, welfare, employment and sports and recreation. In a letter from J.F van Wyk, an MP at the parliament to F.M Dipico, at that time Premier of the Northern Cape Province, in July 2003, he addresses the lack of exactly these factors that the managers emphasise so clearly in the proposal. Amongst other things he

⁷⁰ letter from Mr. van Wyk to Mr. Dipico. LRC-files

⁷¹ letter from Mr. van Wyk to Mr. Dipico. LRC-files

⁷² Mr. Arbel

states that there is put too much stress on the economic development “with very little emphasis on social development and human resource development”⁷³. This is merely one example amongst many issues in the proposal that was not followed up by the management at Goodhouse. This shows a clear lack of accountability in the Goodhouse management, which is further highlighted by the fact that they finally just abandoned the project, leaving the farmers in the community with huge debts.

6.6 Main Findings

Going through the variables chosen for analysing trust within the two groups of beneficiaries, I arrive at this model:

Model 4: Main Findings on Trust in the Cases

Variables	Goodhouse	Vuki
History of the Communities	Been living together as a community for generations	Been farming together as a community for the Hall family before they purchased the farm land
Social Cohesion	Two fractions	Strong
Participation	Through Representatives	Direct
Accountability	Weak	Strong
Levels of trust	Inadequate	Adequate

There is a clear pattern of poor trust within the Goodhouse community, and also a lack of trustworthiness towards the management in the project. Some key differences between the two projects are the clear roles of the members in addition to strong norms and rules and openness within the groups. Both groups had a relatively small amount of members, and more importantly according to the theories I have applied, there were strong links between them based on the fact that they had known each other and lived and worked within the same communities for generations. When it comes to social cohesion, both groups seemed like strong groups in that they all wanted to work together to reach their common goals in the projects. One of the main differences here may have been the fact that the Vuki-farmers ‘escaped’ a situation of dependence towards the previous owners and Government agencies (as liquidators) and moved towards their goal of independence and having a 100 percent ownership of the land and the farm they had been working at for years. In Goodhouse, the

⁷³ letter from van Wyk to Dipico 10.July 2003, LRC-files

farmers went into a co-owner arrangement with several powerful actors involved. What was meant to be a project of social upliftment, became a struggle between the different stakeholders in terms of how to reach their goals, which as far as I can see did not correlate well. When saying that they had a larger degree of social cohesion in the beginning of the project, I refer to how all actors, both governmental, developers and farmers were optimistic in terms of the project in the initial period. They all showed great trust in that this project would be successful, manifested in i.e. money spent, funding and attendance. However, when the initial optimistic period came to an end, it came to show that the means in which people wanted to reach these goals differed. The farmers got a marginal percentage of ownership and the government agencies were to some extent excluded from the running of the project, all though they had invested huge amounts of capital. Among other things this resulted in the conflict between the farmers, and I would say, a growing mistrust towards the management based on “a former trust destroyed” (Sztompka 1999).

Both groups of farmers had the opportunity to participate. At Goodhouse there were set up a system of participation which was based on representatives from the groups of farmers in the various areas of production. At Vuki, the only system of formal participation that I could trace was the annual Trust meetings. However, although the system for participation seemed better organised at Goodhouse, the result bears no trace of this. It seems like the farmers disagreed to such an extent, that most meetings between them have been disturbed by this fact, and hence the participation towards the managing of the project has been interrupted. When it comes to accountability, the management at Vuki Farm shows a great responsibility towards their community of farmers. They have focussed especially on areas of conflict management and social rewards, something that may in turn have increased their level of trustworthiness and therefore the level of trust and confidence shown by the farmers towards the management. Of course, this being an organisation where almost all of the people⁷⁴ involved are part of the beneficiary group, makes the situation extraordinary; a content group of farmers that work efficiently will benefit everyone. At Goodhouse the accountability showed by management towards the farmers when it comes to social incentives etc. was not impressive. However, it seems like the managements' main focus has been to make the business profitable, and that they expected the government to take care of monitoring and evaluating the project in terms of how the community functioned together and also in terms of social incentives. The task

⁷⁴ One of the managers are white, and therefore did not qualify for support from the Government.

was highly disregarded by all parties. Transparency is important in creating a relation of trust between, in this case, the farmers and the management. When one gets an adequate amount of information about the processes within the organisation one is part of, it is easier to predict the future, and one may rely on confidence in role structures, expert knowledge and standard operation procedures; “when we think we can predict the outcome of social interactions, trust is superfluous”⁷⁵. At Goodhouse, the future was hard to predict for most actors involved, as the management did not reveal much information and further broke several of the promises they made to several of the parties involved.

Going through documents and talking to involved actors it seems as though the trust and strong links between the farmers was enough to make the Vuki-farmers get together and manage the farm on their own. Thus, the strong links and social capital that was already apparent in this group was fruitful for further communal problem solving. The management further emphasised the autonomy of the project through not being too closely linked towards Government agencies and managing their finances through commercial banks. Moreover they have showed a degree of trustworthiness through working closely with consultants. Kleinbooi, Tom and Lahiff (2006) state in their report from the area that central to the success of Vuki is “a radical restructuring of all aspects of the operation and the ability to raise (and repay) capital from commercial sources, through the involvement of skilled managers and consultants” (p. 66). Further they propose that this is what separates Vuki from other land reform projects in the area, and also that these aspects should be more emphasised in the land reform programme in general (Kleinbooi et al 2006: 66). In the Goodhouse-case the farmers were sidelined and they did not have much power over their own situation, therefore the strong links and trust within the community did not make much of a difference for the production and communal problem solving. The conflict that evolved between the two groups of farmers made the situation worse, as one group was “with” the management and consequently the other one was pushed further away. Further the farmers were not included much in the shaping and the running of the project, while Nocal was supposed to build the project for them and make it profitable before the farmers themselves could take over. Hence there is a great difference in the level of autonomy of the groups of farmers in the two projects.

⁷⁵ Unpublished paper Jan Froestad: “Can Trust be Managed within Formal Organizations? Lessons drawn from a Study of a Municipal Health Agency in the Western Cape Province, South Africa”.

Chapter 7: The Character of Authority Intervention

Research on social capital in terms of collective efficacy and problem solving has emphasised the role of formal institutions in reducing transaction costs, and also in enabling the actors to effectively overcome problems within the groups, like opportunism and ‘free riding’ (Putnam 1993: 166). Transaction costs in this context are cost of monitoring and enforcing agreements. As mentioned, at a macro-level we have laws and regulations to safeguard smooth coexistence i.e. in the public sphere. With small groups of people cooperating together, there is a need for additional regulations so there are common norms and regulations which are agreed upon by the group members. These norms and regulations promote efficient collective action and avoid free-riding, and also that opportunists will be punished. Further, the benefits of social capital and collective efficacy in a group will be limited unless there is also a degree of trust towards other institutions and actors, which in this context constitutes the institutions and organisations related to land reform. As mentioned in the previous chapter describing the context of my research, ‘The New South Africa’, the country may be characterised as a low-trust society due to the issues following years of ethnic segregation and the migrant worker-structure during the Apartheid regime. This inevitably also affects the delivery of land reform i.e. through the racism and distrust between the farmers and the government, but also within the agricultural communities with white commercial farmers and the African small-scale farmers. This is an ongoing issue which in turn also may have been one of the reasons for the slow progress in the land reform programme⁷⁶. According to Seligman (1997), in a society where there is an unequal delivery of public goods, which the majority of South Africans has been deprived of, and a lack of trust in others and the public, there will be little confidence. Without this confidence in other actors, “all contracts, promises, and obligations – whether economic, social or political, public or private – can only be maintained by third-party enforcers” (Seligman 1997: 4). The purpose of this third party is to be a neutral law-giver that both, or several, parties can rely on and trust in arranging their cooperation and creating rules and norms for them to follow. Moreover the third party enforcers, in this context the land state⁷⁷, are supposed to secure the established contracts that have been settled.

⁷⁶SPP “why do the landless remain landless”

⁷⁷ The state organisations the Government has set up to implement land reform (Gran 2006), meaning the National and Provincial DoA and DLA, in addition to the Local municipalities.

Knut Dahl Jacobsen has analysed the Norwegian agricultural state system that went through major changes the last 40 years of the 19th century. He goes through some aspects of the relationship between the agricultural state systems' relations towards the clients, the farmers, and the political system, Stortinget and the Government. In going through this development he integrates the actor-decision theory in his analysis of the relationship between the officials and the clients and how it affects the implementations of decisions made at the central level of the agricultural state system. Jacobsen made use of two dimensions in order to look at this; the reciprocal expectations between officials and clients in how the decisions were to be made (who makes the decisions), and the reciprocal expectations between officials and clients in terms of the outline of the decisions, how the parts were held to the decision made (is the decision made by the official deciding something, does he give assistance or instructions, and does he hold sanctions). Further he made a model based on these two dimensions:

Model 5: Relation between officials and clients according to the decisions' initiation and commitment level.

		The decision's level of commitment	
		Assistance, Ascertainment	Force, Instruction
The initiative of the decision lies with	Official	a	b
	Client	c	d

(Jacobsen 1978: 58)

From this model, Jacobsen postulates two ideal models of categories of official-roles; 'the educator' and 'the service provider'⁷⁸. The former was a temporary figure in the beginning of the agricultural reform in Norway and is characterised by field-specific knowledge and the spreading of this knowledge to the clients; "the educator's business must first and foremost be based on creating interest in the knowledge of the field that he holds and keeping this interest alive. His pedagogic qualifications therefore are equally or more important than his field-

⁷⁸ Translated from his Norwegian terms 'Folkelæseren' and 'Tjenesteyteren'.

knowledge. The aim for the educator is to get the client to accept certain basic views or values, and this in turn demands preaching, agitation” (Jacobsen 1978: 63). Further, the educator neither can oblige people to become clients nor count on their voluntary participation. He himself must take initiative and the subsistence of the relationships he creates is dependent upon his ability to convince the client that the relationship will be useful and give him something in return (ibid: 63). With the establishment of a state-institution of assistance in Norway in 1854-55, the role-decision dimensions changed. A principal of voluntariness was implemented, which in turn meant that the officials should only assist the farmers that singlehandedly asked for aid. Hence, their role as officials now became less accountable in implementing changes in the clients and more bureaucratic and professionalized. This development was appropriate, juxtaposed the liberalistic view of the state and its responsibilities, and also the process of bureaucratization of the Norwegian state system. Furthermore, this provided the principal of the changes its strength. Following these changes there also developed a justified unequal treatment of the clientele. The principal of voluntariness itself was part in pushing this tendency forward, and moreover the service provider was especially well fitted for servicing the clientele that was of high society and therefore had the necessary information and capital to access the agricultural state system and its professionals (Jacobsen 1978).

What is more, Jacobsen looks at two different foundations of legitimacy in making bureaucratic decisions. Firstly, one may have legitimacy in that the person making the decision has a position that gives him the right to interfere in other peoples’ business within the field in question. Jacobsen names this the authoritative persons’ legitimacy. Secondly, one may have legitimacy based on specific technical knowledge on the field in question, which the person will make use of with the clients’ interest in mind. This may be called the experts’ reason for legitimacy, and according to Talcott Parsons this legitimacy depends “entirely on securing...voluntary consent” (ibid: 78). This analytical divide between expertise and authority cuts across the two dimensions of public decisions that creates the four kinds of relations between public officials and clients pictured in the model above. In all of the four types of relations the foundation for legitimacy may be authority, expertise or both. However, Jacobsen postulates that there are certain empirical circumstances where the two types of legitimacy are conducted. This in turn indicates that in relations where force and instruction are used in the relations between client and official, the basis for legitimacy is authority. Further, where assistance and ascertainment is describing the relations, the bases for

legitimacy in the decisions made are expertise (ibid: 78). Going through the data I have gathered on the two land reform projects, these notions are very describing of the differences in the relationships the farmers had towards the land state officials. The Vuki Farm in the Western Cape had a relationship towards the land state officials that was legitimised by expertise, while it seems like the Goodhouse project's relationship with the Northern Cape land state officials was more coloured by authority. However, is this something that is describing for the provinces' land administrations in general?

The implementation strategies for land redistribution in South Africa vary across provinces due to factors as different needs, institutional capacity, priorities, land prices and provincial dynamics. As decided by the DLA, the delivery of land reform occurs at district level and is supposed to be based on the various needs and priorities in the area. In addition, the province and local offices are supposed to develop individual business plans and budgets. However there have been developed some overarching strategies for the land reform programme as a whole, i.e. improving beneficiary participation, standardising processes, procedures and information requirements for land reform products, changing the product mix to better suit the needs of the beneficiaries etc. (Levin 2000: 73). Thorvald Gran (2006) has performed studies on land reform delivery in South Africa, and the Northern- and the Western Cape specifically. He proposes that the lack of powerful external demands from rural social and political movements may be part in explaining the tendency to assign high importance to the land reform at national levels, while not giving resources and status to actually implement the policies at local levels. Moreover, the land bureaucracy has not experienced much pressure from Government to develop or expand its competence in supporting new small-scale farmers on private or communal land. This in turn may suggest a loose coupling between the different levels of the Government, or that implementing policies becomes more difficult the farther one moves from national to local level; "the farther down the denser is the historical legacy, the more difficult is innovation and change" (Gran 2006: 132). Gran goes on suggesting that the kind of 'local sclerosis' that can be witnessed at the local levels within the country's land administration may be devastating in countries like South Africa which are going through changes from authoritarian to democratic rule, and moreover that "without external demands land reform can deteriorate to a welfare programme (grants) combined with a specialised programme for support to some black commercial farmers (LRAD)" (ibid: 163).

Gran states that the DoA in the Northern Cape seemed less professional and less representative of occupations than the same department in the Western Cape Province. Jacobsen proposes that lack of technical knowledge or expertise often leads state officials to depend on authority rather than expertise in their decisions. This in turn may lead to less assistance and more force and instructions in the relationship between the officials and their clientele. Hence, Gran's data does to a certain degree confirm that the differences in relationships towards government officials in the two cases I have looked into, may be describing for the provinces and the culture with their officials in general. Gran goes on saying that this may mean that the department in the Northern Cape could be weaker, less embedded in society and has relatively frail autonomy. Hence, it may be a department which is more prone to bend and follow external power and authority. The Western Cape DoA is an established and large institution, and according to Gran, more difficult to influence from the Cabinet. Further increasing these differences in the two provinces, is the fact that the Northern Cape is an ANC-ruled province, while the Democratic Alliance (DA) is in power in the Western Cape. Gran states that the Western Cape-regime is perhaps somewhat less interested in change of the basic land policy than the Northern Cape due to political power and influence from national level (Gran 2006). Through questioning a selection of bureaucrats and politicians in the two provinces, he found that the two land administrations were struggling to adjust to the new political ANC-regime in the country. However, the impression of the land administration in both provinces was that they were trying to be loyal to and understand the demands of the Government, but that they on the other hand are fragmented and internally have a chaotic system.

Since both cases I look into are land reform projects with involvement from the state agencies, I will focus on the government institutions participation in planning and implementing the land reform programme related to the two cases. Thus, I look at what kind of assistance and support, if any, the two projects have received from the state. Further, I want to find out whether different kinds of support will be deciding for the outcome of the cases; will projects which receive wide assistance be more successful? Moreover, what kind of assistance have they received? May this be linked towards Jacobsen's model of official-client relationships, and has it had any effect on the outcome? I will investigate my cases in terms of relationship towards state officials through looking more closely at what exactly the projects have received in terms of support from the involved government institutions. I have chosen to divide this into two 'periods' of the projects, launching and post-settlement. Hence, I do not

wish to point out what the different agencies may have done right or wrong during the establishing of the projects per se, but rather look at what kind of assistance they offer, and what possible effects it has had on the two cases. I will look at this through contracts between the projects and the government agencies, business-plans, interviews, statements from NGOs and other organisations working in the related areas, communication between stakeholders in the projects and previous research.

7.1 Launching the project

In ‘launching the project’ I refer to what kind of assistance the projects received prior to starting their production. In the case of Vuki, I refer to the period before the farmers gained full ownership of the farm land in October 2005, and in case of Goodhouse before the production started in March 2003. The criteria I have set to measure are the degree of support through financial support as loans and grants and ‘other assistance’ in starting up the projects. In both cases I have got hold of various contracts between government institutions like DLA and Land Bank which are the main financial contributors in supporting projects financially after they have been approved. I will therefore make use of these in looking at support, but in addition I use interviews, documents of communication between various actors, and previous research.

Both projects have been approved by government which is essential in order to gain land and grants. The Vuki farmers were already farming the land, but did not own it, and therefore needed the Land Bank’s approval, as the liquidators, in order to buy the farm. The remaining farmers from the Whitehall Farm established the Vuki Trust and were approved for the LRAD-grants in 2004 when they bought and took over the farm area. The grants came to R3 100 960, or R77 524 per person. In addition they received a LRAD planning grant of R465 144⁷⁹. What is more, the farmers also received SLAG-grants from the DLA in 1998 when they were still in joint venture with the Hall-family and had established the ‘Whitehall Farming Trust’. 90 percent of the farmers at this point, 121 persons, were part of the trust, and through the SLAG grants each of them received R16 000 each, which amounted to R1.936 million (Kleinbooi et al 2006: 26).

⁷⁹ SPP-files

At Goodhouse the farmers resided on the land as a community and were entitled to the land through Act 9 policies. The Northern Cape Provincial Government hired the developers in Variety Holdings and Gili Greenworld to start up the project at Goodhouse. The farmers at Goodhouse received a LRAD grant of R5.5 million, or R100 000 each. In addition they were given R52 196 000 in loans from the Department of Agriculture, Land Reform and Environment in the Northern Cape Province, and R49 430 000 from the Land Bank. In the latter, R40 480 000 was a medium term loan, R5 250 000 was a production loan and R 3 700 000 was an instalment sale finance loan⁸⁰. However, these loans were for starting up production, building the irrigation systems etc., not for purchasing the land as with the Vuki Trust. The farmers gained a limited ownership of the production company, while the land was still in the States' possession and the developers got a big share in the company. According to Mr. May with the Springbok SPP offices, the land at Goodhouse was in the Land Banks' possession for an agreed period of 25 years (Interview Mr. May 11.12.2008). This was something that the developers and some of the farmers did not agree with, while they wanted the Goodhouse Production Company to gain ownership over the farm land.

The Vuki farmers deliberately did not take up many loans from public institutions, neither when they bought in with the Hall family in the late 90s, nor when they purchased 100 percent ownership in 2005. In 1998 they borrowed R14.8 million from the Independent Development Trust (R2 million), the Development Bank of South Africa (R3.8 million) and Standard Bank (R9 million) in order to purchase 50 percent of the shares in the Whitehall Farm. However the Standard Bank component was later taken over by the Land Bank (Kleinbooi et al 2006: 26). Afterwards, when they rented the farm from the liquidators they obtained a further seasonal loan from the Land Bank of R3.1 million. Finally when the Vuki Farmers bought the land, the Vuki Trust obtained loans from the Absa Bank and the Land Bank. From Absa they obtained three separate loans, amounting to R11.5 million⁸¹. The LRAD-grants were used to reduce the debt to the Absa Bank (ibid: 28). Mr. Witbooi suggests that the limited financial support from state institutions is one of the major factors of their success. "Yah, the first thing is we bought...brought money to buy the farm. That's the *first* thing. You see when you, when you buy a farm with (...) states money, then there's trouble.

⁸⁰ Signed Agreement between the Department of Agriculture, Land Reform and Environment in the Northern Cape Province and Nocal and EDUGAIN 62. SPP- files.

⁸¹ Letters from Absa Bank to the Directors of the Trust confirming the loans, 26th of July 2004. DLA-files.

Because the state must give you money to buy the farm, and give a little bit...for the running cost for the first year, and the second year and the third year, that's when the trouble come in. But when you buy a farm and you (...) brought money from the commercial banks, then you know you must pay the bank, and if you want grants from the government then you can apply" (Interview Mr. Witbooi 28.05.2008). This relates to the restricted amount one receive in government grants and how one often must be huge groups and pool the grants in order to have enough capital to be able to run a commercial farm production. Witbooi also mentioned in the interview how the government with all their legislations makes it difficult to run a farm, and that is why they have preferred to do their own thing and not rely too much on Government (Interview Mr. Witbooi 28.05.2008).

However, the Vuki farmers actively made use of government institutions in order to buy the farm land from the liquidators. The production manager at the farm, Mr. Witbooi, was part of the district council for over six years and also served under the Theewaterskloof Municipality for three and a half years (Interview Mr. Witbooi 28.05.2008). Hence, the management has got connections within the local and provincial government institutions. In fact, Mr. van Jaarsveld with the Ministry of Agriculture in Cape Town was one of the state actors that were approached by Mr. Witbooi with the management at Vuki. Mr. van Jaarsveld supported the Vuki farmers and helped them set up meetings with various governmental agencies, a process he say went on for about a year before the Vuki farmers were able to purchase the land from the liquidators. He further describes this period of about a year as an 'upwards battle'. However, they managed to get different "prominent people" to come see the project, and van Jaarsveld points out Mr. Jerry Arries, deputy director for farmer settlement and development with the DLA in Stellenbosch, as one of the involved actors who was very helpful (Interview Mr. van Jaarsveld 17.07.2008). In addition, by reading through the Stellenbosch DLAs' files on Vuki, one finds several letters from the Vuki farmers, represented by the management, to various prominent actors within land reform in the country, i.e. the at that time Minister of Agriculture and Land Affairs, Thoko Didiza⁸², but also several letters from engaged actors within the system promoting the project and urging that the Vuki Trust should be able to take over the farm land.

⁸² Letter from Tshapile with the Vuki management to the Minister 18.08.2004. DLA files

At Goodhouse, the situation was rather the opposite, while it was the provincial Government that hired the developers in order to get the project started. Due to this and also the fact that the Provincial Government invested rather substantial amounts of funding and capital into the project, there was one representative from the DoA in the board of Directors at Goodhouse. Hence, the Goodhouse project was a private-public partnership, where the Provincial Government to a large degree was involved. However, the cooperation did not work as planned partly while the meetings and planned sharing of information between the management and the government did not take place. While I did not manage to get hold of any comments from the departments within the Northern Cape Provincial Government nor the NamaKhoi Municipality, I do not have sufficient data to make any assumption on their part when it comes to this cooperation. However, the Goodhouse area is under the administration of STC. The STC have since the initial planning periods of the project at Goodhouse been quite active in terms of communication with the NOCAL Company and the developers and have followed the process carefully with help from SPP and LRC. They expressed their scepticism towards the lay-out of the project both in the initial phases, but also after it started production, i.e. through requesting support to hire an agricultural economist to give guidance and advice concerning the assessing of the business plan and future implementation of the project⁸³.

Consequently, a major difference between the two cases, besides ownership of land versus private-public partnership, is the communication between government institutions and the project management. At Vuki, the management used their contacts within government in order to purchase the liquidated farm land; a time consuming bottom-up process. In addition they use the DoA at Elsenburg for training and advice; as expertise. In addition they have employed expert consultants to assist them. At Goodhouse on the other hand, it seems as though the process was top-down based and authoritative from the beginning. The government departments, STC and the Managers have discussed their differences of opinion while the farmers to a large degree have been sidelined, and have not been consulted. Harry May with the SPP in Springbok also emphasise this, and calls it ‘political mingling’, something that he states has coloured the whole process at Goodhouse (Interview Mr. May 11.12.2008).

⁸³ Letter from Johnny Cloete, Chairperson of the STC, to Mr. Fandeso executive director at the Land Bank. 14.March 2002. SPP-files.

7.2 Post settlement support

With post-settlement support I refer to if there has been any support in terms of monitoring, evaluation or direct support after the projects got started. I will divide this in to variables of training, post-settlement financial support and monitoring and evaluation. After the farmers through land reform funding have settled on the farm land, the DoA is responsible for post-settlement support through grants like the Comprehensive Agricultural Support Programme (CASP)-grants. Thus, in addition to making use of the same data as in ‘launching the project’, I will make use of documents and agreements between DoA and the established businesses.

At Vuki they get training programmes from Elsenburg, the Provincial DoA in the Western Cape, which some of the farmers has made use of. In addition they have established their own schools with various courses and further they fund tertiary education. Also, there have been established a relationship with the Department of Health in the Province. According to Mr. van Jaarsveld, there are facilities at the farm where representatives from the Department come a couple of times per month to tend to the Vuki farmers and their families’ health (Interview Mr. van Jaarsveld 17.07.2008). Further, they have been funded with CASP-grants through the DoA. The grants came to R1.1 million and were used for new machinery at the farm (Interview Mr. Witbooi. 28.05.2008, Kleinbooi et. al. 2006). Accordingly, although the Vuki Trust has to a large degree taken care of post-settlement benefits as housing, education etc., they have contacted and received help from government agencies when it comes to post-settlement funding, health care and training. I do not know how much monitoring there have been from the government side after the farmers became owners of the farm area, but there seems to be much awareness in the government institutions about the project, most likely because it is such a great success in terms of land reform. According to Mr. van Jaarsveld with the Ministry of Agriculture, in the Western Cape Province the various actors involved in land reform have started cooperating across the institutions and have formed a committee called ‘Land Reform Coordinating Committee’ which consists of DLA, DoA, Ministry of Agriculture, Land Bank and other actors involved with financing projects . In this way they hope to be able to “speed up the whole Land Reform process. But also to work in a much more coordinated way, in terms of projects” (Interview Mr. van Jaarsveld. 17.07.2008). In addition he mentions how the departments may benefit from sharing information and using each others expertise in order to establish more sustainable projects. However, referring to Gran’s data on the land administration in the two provinces, there is a lack of integration between the levels and departments of government, leading to distrust and even enmity

between the actors (Gran 2006: 163). Accordingly, the cooperating across department-borders was mentioned by Mr. May with the SPP as a lack in the overall land reform process in the Northern Cape Province. However, the cooperation is a good initiative, but whether it will be fruitful or even feasible remains to show.

There have been provided training for the farmers by the Northern Cape DoA, but as in the case of Vuki, the farmers were used to working with farming as they had been living and farming as a community in Goodhouse for generations. However, there were no specific training provided in terms of growing paprika which was new for all of them (Interview Mr. May. 11.12.2008). Further, all though the Provincial Government in some ways was very much involved in terms of having representatives in the Board of Directors and urging more formal meetings with the management, they did not do much concerning the farmers and post-settlement support. Mr. van Wyk with the parliament writes in a letter to the Premier of the Northern Cape Province; “currently it seems as if Provincial Government is playing a very limited role. They are not involved in project development planning, implementation or monitoring. From discussing with MEC Dawid Rooi it is clear that he also is very frustrated about the way in which things are going at Goodhouse”⁸⁴. Moreover, he states that “Instead of being partners the project management and municipalities act like opposing parties, which is not good for the project. This contributes frustration on both sides”⁸⁵. Hence, neither the Provincial Government nor the municipality was ‘let in’ the project, which in turn has affected the lives of the beneficiaries and eventually was part in the collapse of the project which left the farmers at Goodhouse without employment and in huge debts. Mr. van Jaarsveld with the Ministry of Agriculture propose this lack of cooperation and assistance from anyone outside land reform projects as one of the reasons for the high degree of failures in land reform projects; “Most of your failures are people who want to take the thing, say we can do it, we don’t need your assistance, we know how to do it. And then, somewhere along the line they sort of, you know, just fail in their effort. I think that’s what, that’s probably one of the main reasons” (Interview Mr. van Jaarsveld. 17.07.2008). On the other hand the lack of cooperation may also be an effect of the lack of trust with Government institutions in the

⁸⁴ Letter from van Mr. Wyk, National Assembly to Mr. Dipico MPL, Premier of Northern Cape Province 10.July 2003.

⁸⁵ Letter from van Mr. Wyk, National Assembly to Mr. Dipico MPL, Premier of Northern Cape Province 10.July 2003.

country as mentioned earlier. Regardless, the farmers at Goodhouse received no post-settlement support as far as I could find, besides training from government institutions.

7.3 Main Findings

In terms of what I wanted to measure in this chapter, I arrive at this model based on assistance with launching the projects and the following post-settlement support:

Model 6: Main Findings on Character of Intervention in the Cases

Variables	Goodhouse	Vuki
Launching assistance	Grants, Funding	Grants, Funding
Post-settlement support	Training	Grants, Health Assistance, Training
Character of intervention	Instructions	Assistance

Goodhouse was to a certain degree a more ‘authoritative project’ from both management and governmental sides when it comes to the farmers. The project was meant to be relieving the massive unemployment and poverty that had escalated in the area after the downturn in the mining industry, and due to this there was an immense interest in the project, considerable financial support and a wish to participate from governmental agencies, NGOs and others in order to safeguard a sustainable project. However, the farmers were not consulted to any extent and not much was done to serve their needs, which I also mentioned in the previous chapter on trust within the organisations. Further it may seem as the management at Goodhouse was uninterested in the involvement that the government agencies wanted in the project. They wanted the government to handle the social and human resource side of the project while NOCAL should focus on the managing and business side of the company⁸⁶. Hence, there seems to have been a disagreement between the management at Goodhouse and the Provincial Government when it comes to what role the Government should play in relation to this project. While the management seemed to be interested in cooperation where the Land Administration should function as experts i.e. through assisting them with health and social relations issues, the government officials were picturing a more structured project where the management followed their instructions and regulations.

Vuki was a different project in that it was initiated by the farmers themselves; the farmers at Vuki wanted to purchase the land they were renting from the liquidators and took action

⁸⁶ Answers to the Transformation Committee’s Questions; ad Para 23, SPP-files.

through using the connections they had within government agencies, and in addition got them to support their cause and also using their own connections in making it happen. Vuki had, and still has rather strict principals of autonomy and independence. To a large degree they avoided the issue of Government control by receiving loans from commercial banks, and hence they were not, like Goodhouse, under ‘supervision’ by the government institutions. According to the production manager at Vuki, Mr. Witbooi, getting extensive assistance from state institutions will be followed by several regulations and legislations. Therefore, it seems like they preferred the contracts with the commercial banks where the directives that follows make more room for them to run the farm in the manner they find more suitable. According to the business plan, “forging strategic alliances with selected service providers and customers is part of the overall business strategy”⁸⁷, hence they do not get in to too tight alliances with other actors, but try to stay as autonomous as possible while seeking advice when they need it. This was also emphasised by the Vuki Production Manager Mr. Witbooi as one of their core principals in order to build a sustainable business (Interview Mr.Witbooi 28.05.2008).

Jacobsen proposes that one of the reasons for the increase of interest and reformation of the Norwegian agriculture in the end of the 1900th century, was the external pressure from the representatives in the Parliament, and also that the situation in the agriculture was defined as in a crisis. Hence, he suggests that it is “traits with the problem structure and the transaction structure that to a large degree will decide the relations of influence between the state institutions and its clientele” (Jacobsen 1978: 6). Accordingly, it seems as though the issues in the South African agriculture has not been a high priority neither in Government nor in Parliament. In addition there is weak and lacking organisation of small-scale farmers’ interests in the country, which further lessens the strength of external pressure on Government in terms of land reform. Therefore, my suggestion is that the land administration is connected towards the clientele in highly bureaucratic ways and on professionalised terms; the clients must apply for assistance, something that often takes years to get through the administration, which in turn will result in redistribution of land, grants and funding, or both, if they are found eligible. As mentioned previously in the text, the way things are functioning as of now, it resembles a welfare programme with specialised support to a chosen minority of black commercial farmers more than a land reform programme (Gran 2006: 163). This relates to Jacobsen’s description of the bureaucratic government with state officials as ‘service

⁸⁷ Vuki business plan DLA-files

providers', and where their basis for legacy is authoritative, infused with force and instructions. In addition, the conscious unequal treatment of clientele that Jacobsen mentions as a trend in Norway in the late 1800s is also visible in the land reform in South Africa. The emerging black commercial farmers and the rural elites seem to be those, if any, that benefits from the support and resources that are being provided through the land reform programmes. While they often have relative levels of power, information and networks, they 'trap' the resources, while the poorest of the poor are being pushed further out on the sidelines, resulting in a further increasing gap between the 'chronically poor' and the rural elites. As mentioned, what changed these circumstances in the Norwegian agricultural reform was the characterization of the situation as an emergency, a crisis, and furthermore increased external pressure on government departments, which consequently also changed the prioritising of a few into a notion that everybody must be included in the transformation. The difference in assistance experienced in the two cases I have investigated might be affected by exactly this prioritising of the eligible black commercial farmers in South Africa. Seeing that the Vuki farmers had good prospects for running a profitable commercial production unit, this might have increased the levels of assistance that they received compared to the Goodhouse project. On the other hand, the difference may also have been caused by the differences in the land administration in the two provinces, as Gran reports in his study, or a combination between the two.

There are strong arguments for the need for a strong third-party enforcer in land reform in South Africa, while the beneficiaries need the government to be a trustworthy third-party that can, besides giving financial aid to launch the projects, monitor and evaluate the development after they have started. A focus on conflict management and proper planning, housing, human resources etc. is important in order to gain sustainable projects especially in cases like Goodhouse where the community is widely deprived. However as for now, the roles and responsibilities of the different departments, officials etc are blurred and there are no clear strategies for how to monitor and evaluate the projects that have been initiated; "there remains a clear need for continued involvement by governmental and non-governmental organisations in monitoring the performance of the new joint ventures in order to protect the interests of claimants and support community property institutions (CPIs) in areas such as capacity building, business advice, dispute resolution and distribution of benefits" (Lahiff 2008: 20).

Chapter 8: Networks

In chapter six I focussed on trust and a degree of closure within the group. In this chapter I will look at the importance of having links towards networks in order to be included, get information, communicate and function within the agricultural industry. Burriss et al. address this issue in their theory of nodal governance when they state that outcomes within a collectivity may be influenced by factors other than those controlled by the individuals within the group themselves; factors that operate at a higher level and often beyond their local physical environment (Burriss et al. 2005: 36). Hence, in order to be aware of these factors and to a certain degree manage them, it is essential to have connections and links towards these 'higher levels'. Granovetter has pointed out this necessity of 'weak ties' in sustaining community cohesion and collective action. By weak ties he refers to acquaintances, shared membership of secondary associations etc. as opposed to the strong interpersonal links like intimate friendship and connections. While weak ties provide people with access to resources and information, strong ties are typically more available and more motivated to assist (Granovetter 1983: 209) Putnam supports this notion and proposes that strong links within groups are important in order to keep them together and sustainable, while weak ties towards networks that cut across social gaps promote wider cooperation (Putnam 1993: 175). Granovetter suggests that 'bridges' between closely knit groups of people are vital in order to gain information and resources (Granovetter 1983: 202).

People without weak ties towards other networks are deprived of information, have a disadvantaged position in the markets, and also will be difficult to organise or integrate into political movements of any kind. This is while the most common way to be recruited into these organisations is through friends and acquaintances. Moreover, one of the explanations for these circumstances, according to Granovetter, is due to the tendency for poor and disadvantaged people to rely more on the strong ties than others, while these strong ties or close acquaintances are more readily accessible. A person that has sufficient resources which he may rely on is freer to explore alternative options than one that does not have a surplus of resources (Granovetter 1983: 211). Further this is supported by the work of Charles Tilly, while one of his arguments is that political mobilisation among poor people is difficult for "lack of slack, for lack of resources and time to organise. Poor people organise first defensively, when they are attacked they try to secure what they have. Rich people organise early on offensively, exploiting new opportunities for gain" (Gran 2006: 162-163). Further, Granovetter looks at Pool's (1980) argument that the number of weak ties a person or

community has increases linearly with the development of the communication system, bureaucratisation, population density and the spread of market mechanisms (Granovetter 1983: 210). Moreover, Granovetter suggests that networks built on close relationships, strong ties, seem to be connected to economic insecurity and lack of social services. Poor people have a tendency to be stuck in these kinds of deficient structures more than others, and Granovetter refers to applied research to explain this concept; “some people typically find it advantageous to maintain strong networks and we⁸⁸ have shown that these people are more likely to be young, less well educated, and black” (ibid: 212). He goes on saying that as long as traits in these communities like high unemployment rates and real threats of poverty and moreover that members find it difficult to access social welfare services, medical aid etc., one can expect this reliance on strong networks to subsist among them (ibid: 212). However, all weak ties does not necessarily provide the benefits as described in Granovetter’s theory, only if they function as bridges between parts, or as in the nodal governance theory; “nodes” of the network.

Lack of integration towards the wider, already established, agricultural networks has been proposed as one of the problems when it comes to establishing sustainable land reform projects⁸⁹. The Government has addressed this issue to some extent by promoting joint ventures with private entrepreneurs where the entrepreneur, or strategic partner, invests in and takes responsibility of a farm management often for a period of 10 years with possibilities for extensions. In these joint ventures the farm workers most often get a small percentage of the shares (Derman et al. 2006: 1). There has been raised some questions by scholars whether these partnerships are fruitful for the South African land reform programme. First of all, it has been questioned whether the land reform programme as pictured in the Constitution and the Restitution Act of 1994 are being accomplished with this practise, and if the claimants are receiving the benefits they are supposed to through these collaborations. A second issue is whether the state has the capacity to actually plan and implement these intricate commercial deals in a multitude of cases, and moreover if they can provide support to claimants and their strategic partners, and in the long term to secure the interests of communities and their members (ibid: 1). As the situation is now, and referring to the mentioned studies performed by Gran (2006) where he studies the Western- and Northern Cape Provinces and their rather

⁸⁸ Ericksen and Yancey 1977

⁸⁹ Why do the landless remain landless? SPP 2002 www.spp.org.za

chaotic and limited organisation and resources, this seems highly unlikely. Also, when looking at the Goodhouse project, it is a good example of how the state does not have the capacity to maintain and control such massive commercial projects in a sustainable way. Thirdly, the issue of 'industrial farming'⁹⁰ as experienced in the Eastern Europe and Tanzania among other places, may be an important to keep in mind when including large private investors in a land reform programme, which is so desperately called for in the poor rural areas of South Africa. According to Jacobs (2001), the power relations in the joint ventures are unequal while the private investors often proscribe what should be produced, offering no protection if there should be market failures or an over supply of the produce. Therefore, the risk is transferred from the private investors to the small scale farmers (Jacobs 2001: 5). Then again, other research has recognised these partnerships as one of the main providers of successful projects in land reform (Lahiff 2007: 23). The major advantages are capital resources, sharing and distribution of risks, and moreover it may capture the workers' capacity for innovation and commitment⁹¹.

The network I am referring to is the wider agricultural networks of both governmental and non-governmental organisations in South Africa. As mentioned previously, one of the issues for the land reform beneficiaries is that the commercial agriculture have been controlled by white farmers, and therefore as a consequence it has been experienced difficulties in entering these established networks for black emerging farmers in the country. In the Northern- and Western Cape provinces the majority of land owners are still white, and investigations have shown that there are high levels of scepticism towards the land reform programmes and also racism expressed by these landowners⁹². Qeqe and Cartwright state that many of the barriers experiences are because of "the cost of information, risk, capital and the role of social networks and quality standards within the new market network. Collectively the barriers account for market failure and contribute to the persistent poverty in rural economies."⁹³

⁹⁰" (...) the assumption that the great collective farms would operate like factories in a centralized economy (...) fulfilling state orders for grain and other agricultural products" (Scott 1998: 211).

⁹¹ Research report by Surplus Peoples Project and Human Sciences Research Council: Joint Venture Schemes: KZN, Western Cape, Mpumalanga, Eastern Cape. www.spp.org.za

⁹² Why do the landless remain landless? SPP 2002 www.spp.org.za

⁹³ Qeqe and Cartwright: South Africa's Agricultural Commodity Markets-Understanding the rules of the game in five commodity markets with the intention of creating opportunities for emerging farmers www.spp.org.za

I will investigate the two cases I have studied and their links, or weak ties, towards the wider governance networks of agriculture firstly by looking at which organisations they have been in contact with, in this context called nodes, weak ties or links, what kind of assistance they have offered, how closely they were/are connected and how important these links has been for the two cases. I have divided this in to two variables; ‘number of links’ and ‘utilizing of links’. I will look at this by using the data I have collected through interviews, the files on the projects that I have got access through by SPP and DLA, and previous research from the area where the projects are situated.

8.1 Number of Links

In his theory on the “strength of weak ties”, Granovetter suggests that people or groups with few weak ties will not be likely to mobilise efficiently for collective action within their communities (Granovetter 1983: 224). Consequently, I will in this section look at whether there are differences in amounts of weak ties towards various “nodes” in the two cases I have investigated, and moreover the variety of acquaintances they have when it comes to different sectors of the governance network. I will try to do this by making use of the interviews I have conducted and also the descriptions of the two cases and their environments through previous research and business plans etc. that I have got hold of through the DLA, the SPP and the LRC.

The Vuki Farm seems to have quite some connections within the local and provincial governmental institutions, as mentioned in the previous chapter, and they made use of these links in order to buy the farmland from the liquidators and also for assistance and training after they started production at the farm. One example of outcome of these connections they have with the governmental institutions is the mentioned relationship they have established with the Department of Health, where they provide medical services at the farm on a permanent basis every month. Further Mr. Witbooi states that through his time in the district council and the Theewaterskloof Municipality, he is familiar with the NGOs in the area and if he needs their advice he call them (Interview Mr. Witbooi 28.05.2008). In addition, Mr. Witbooi said that the farmers knew their neighbours very well, mostly other commercial farmers, since they had been living in the area for generations. He himself has many acquaintances in the area that are commercial farmers, while he is part of their committees and associations, and through this has known them for years. However, he goes on saying that

although they talk to each other and they approach these established farmers for advice when they need to; they have not gained any support from the commercial farmers in the area (Interview Mr. Witbooi 28.05.2008). However, the farm has recently started growing wine grapes in addition to fruit, which they deliver to a local wine-producer for export (Interview Mr. Witbooi 28.05.2008). In addition, four businessmen that bought one of the farms in the area, South Hill, approached the Vuki management and asked them to manage and run the farm because they heard of the success at Vuki (Interview Mr. van Jaarsveld 17.07.2008). This cooperation and confidence indicates that they have established links towards the commercial farmers in the area, and that they can be said to have been included in the networks of the commercial farmers. Moreover through employing consultants from several companies, they further have links towards different expertise in various fields of agriculture.

Vuki may have had an advantage in that the area they are farming in is a well developed fruit-production region, hence the market might be easier to access than if there were no tradition for apple and other fruits- production in their environment. On the other hand, exactly this fact that people have been farming fruit in the area for decades, may have created tightly knit networks of established white commercial farmers which can be difficult to access. Although I do not have any data confirming or rejecting either of these suggestions, while I have not talked to the other farmers in the area, I would suggest that the Vuki farm has been well integrated among the other commercial farmers due to the fact that they are cooperating and moreover that they have several commercial farmer-acquaintances in the area. Thus, this is in line with the argument that the number of weak ties a person or community has, increases partly by the spread of market mechanisms (Granovetter 1983: 210), which should be well established in the area while agriculture is the major economic activity, and also the main employer of the inhabitants; in fact 53 percent of the citizens in the Theewaterskloof area were in 2006 employed in agricultural activities (Kleinbooi et al 2006: 22).

The farmers at Goodhouse had direct links to private companies in that Gili Greenworld and Variety Holdings were running the management and production of the project. They further created the NOCAL-company together to run the business at Goodhouse. The two private companies in turn got other actors to invest in the business, apart from the Provincial Government in the Northern Cape, also the electricity company ESKOM supported the

project with R3 million⁹⁴. Moreover, the companies had links towards export companies that were to sell 90 percent of the paprika that were produced to markets in Europe, USA and Japan⁹⁵. The relationship between NOCAL and the government institutions however, did not seem to be working well after the Goodhouse project started production. According to my data it seems like NOCAL avoided cooperating with any governmental institution, both local and provincial. A fraction of the farmers did, as mentioned, have connections towards the NGO SPP and the STC.

According to du Toit (2004), the commercial farmers in the area were hoping that the project at Goodhouse would succeed, but they were sceptical to as how the project was started up. They further suggested that there had not been a proper impact study before they started production; the area is not suitable for paprika production while the temperature for paprika production must not exceed 32°C and Goodhouse sometimes reaches 50°C in summer; “He⁹⁶ added that the area never before produced paprika, and that the Department of Agriculture had conducted a study on paprika growing near Upington and had concluded it would not work there. Goodhouse is hotter than Upington” (du Toit 2004: 92). Hence, the project probably had support from the commercial farmers in the area before they started, but might have lost it after the information about lacking impact studies and knowledge about the circumstances in the area. Moreover, the owners of NOCAL did have consultants coming in to give assist them, but according to du Toit (2004) they did not take their advice (p 92). According to the limited data I have managed to get hold of concerning Goodhouses’ links towards the wider agricultural networks, it seems as though NOCAL had several connections and every possibility to make use of them while it was run by established private companies and moreover that many people were excited about this project and wanted it to succeed. However, the community at Goodhouse seems to have few weak ties towards other networks, and therefore has been the dependent actor in the cooperation. This is in line with Pool’s (1980) observations that poor people often will get dependent on other protective actors in order to attain progress (Granovetter 1983: 211).

⁹⁴ SPP-files

⁹⁵ Business plan SPP-files

⁹⁶ A local commercial farmer

8.2 Utility of Links

Whether it will be an advantage to have weak or strong ties in different settings does not merely depend on the number of links one has at different levels of strength, but also the utility of ties of various strengths (Granovetter 1983. 209). According to network theories and research on weak ties, there is a tendency for poor and disadvantageous people to rely more on strong ties than others, while these strong ties or close acquaintances are more readily accessible. A person that has sufficient resources which he may rely on is freer to explore alternative options than one that does not have a surplus of resources (ibid: 211). Therefore, the utility of weak ties are dependent upon the security of the individual or community, moreover the persons wealth. If a person has high levels of insecurity he might come under strong pressure to become highly dependant on one or more protective individuals (ibid: 210). I want to look at if reliance on strong versus weak ties may be something that can help explain the different outcomes in the cases. I will look at this by using the same data as in the previous sequence; however this data is weaker when it comes to measure utility rather than measuring mere numbers of links. Since I have not talked to the groups of farmers at Goodhouse, and just one of the previous farmers (now manager) at the Vuki Farm, my data is insufficient in order to make any definite statements on the communities' tendency in general to rely on weak or strong ties. However, I will try to get a sense of whether there is a difference in how the organisations used their links towards various 'nodes' in the networks, if they relied more on their close community than 'outsiders', and moreover if the links they had provided 'bridges' for the communities towards other network segments. I will do this through making use of the information I have and by applying theories from the field of network studies. I further 'measure' this by looking at whether the communities have made use of the links they have, and further if they can be said to have made lasting connections with the links they have towards the wider governance networks.

At Goodhouse, the farmers were in joint venture with NOCAL, and moreover the management was made up of already established companies with existing links towards the agricultural business. This is the main purpose of joint ventures; to launch the project, run it for a set period of time, and link the farmers towards agricultural networks when it comes to market access etc. However, it may seem like this 'strategic partnership' did not benefit the community much. This may be due to the short durance of the project, but nonetheless the community members were not involved in the managing of the project, and thus did not hold any links on their own towards nodes in the governance networks. Therefore, I suggest that

there were no bridging between the network and the Goodhouse community, something that is apparent in the fact that once the management left, there was nothing happening in terms of trying to save the project, mass protests or production. What did happen was that the farmers sold production equipment and destroyed many of the buildings (Interview Mr. May 11.12.2008), something that might bare witness of a deprived community with few links towards other networks. Deprived people or communities rely on strong ties rather than weak ones while the strong ties are more easily accessible, conversely; “an individuals access to opportunities and resources can only be fully exploited if he or she is linked with others in diverse positions furnishing different information, but strong ties tend to involve closed circles that limit such access” (Granovetter 1983: 222). Thus, it is easier to stick with ones own group if one has ‘lack of slack, lack of resources and time to organise’⁹⁷, rather than to try access other groups in the governance network and get acquaintances. Moreover, this tendency to rely first and foremost on ones closest connections seems to be linked to this economical insecurity, but also lack of social services; and further “as long as the unemployment rate is high, the treat of living in poverty is real, and as long as large segments of the population find access to medical services, day care, and social welfare services problematic, we can expect to find reliance on strong networks to continue among them” (Granovetter 1983: 212). The unemployment rate in the area was very high when the Goodhouse project was initiated, while many of the people living there had been working at the mines, which now were closed. Due to this and moreover the fact that the community now has a debt of R120 million, I suggest that the threat of poverty is very real for the members (Interview Mr. May 11.12.2008). Whether it is problematic to access social welfare services in the area, I can not say, but the trend in rural South Africa in general is lack of adequate welfare and social services and a persistence and possible worsening of poverty and inequality (du Toit 2005: 3) Thus, referring to these notions there is reason to believe that due to the devastating poverty, the high unemployment rate and insecurity, the Goodhouse community will rely more on strong ties than weak ones, and therefore it has been, and probably will be difficult to mobilise efficient communal problem solving unless these issues are attended to.

The history of the Vuki farmers describes quite a different story when it comes to connecting to governance networks through weak ties. In contrast to the farmers at Goodhouse this

⁹⁷ Charles Tilly referred to in Gran 2006

community managed to take over the land they used to farm as workers after it went bankrupt. How they managed to do this is probably a combination of the traits I have described in the previous chapters, but also the fact that they made use of the acquaintances they had in various segments of the governance network related to agriculture, and moreover land reform. Through these acquaintances they managed to rent the farm for a couple of years before they finally purchased it. They communicated with existing and new acquaintances in the governance network, mainly governmental, and thus got access to social networks and made them pursue the 'upwards struggle' with them (Interview Mr. van Jaarsveld 17.07.2008). Through this connection with links in other social spheres than their closest connections, they managed to get hold of information and resources that they probably would not be able to get hold of on their own. Further, after they started farming without the Hall-family, they managed to get support through grants, loans and different assistance from government organisations; they have connected with other local farmers in the area, leading to i.e. cooperation with a wine farm where Vuki produce wine grapes which the wine farmer then make use of for wine production (Interview Mr. Witbooi 28.05.2008). They have also managed to get market access; they deliver the fruit they harvest to two different pack houses which further sell the fruit in South Africa, but also export to Tesco Supermarkets in the UK, other outlets in EU-countries, Africa and the Middle East (Kleinbooi et al 2006: 29).

Through the fact that the management at Vuki, which are almost all previous farm workers at the Whitehall farm, had already established quite some weak ties towards the local agricultural networks through actively engaging in local politics and participating in other farmers organisations and boards, it seems as they could more freely investigate and make use of weak ties than the Goodhouse farmers that comes across as a more isolated, poverty stricken community, which in addition was not included in the management of the land they were farming. Due to this notion that Vuki had more weak ties and created lasting cooperation with some of them, the farmers managed to mobilised efficient communal problem solving that benefitted the whole group.

8.3 Main Findings

Model 7: Main Findings on Networks in the Cases

	Goodhouse	Vuki
Number of Links	Several links through NOCAL towards nodes in business networks while they were in joint venture, but the community members themselves does not seem to have many weak ties	Links towards a variety of different networks, both private and public
Utility of Links	Did not make use of their weak ties	Weak ties were an important factor in purchasing the farm land and moreover for accessing markets and networks
Degree of inclusion in networks	Weak	Strong

Vuki seems to have a better network surrounding them than Goodhouse. This might be for the fact that the two communities are placed in very different areas; one within an established fruit production location and the other one in a very remote and arid area with few inhabitants. This further implies that the market mechanisms, bureaucratisation when it comes to agriculture, and the communications systems might be better developed, which according to Granovetter (1983), in addition to population density, makes for better circumstances for having larger amounts of weak ties than if these circumstances are not highly developed. Moreover, people who have few resources and live in high insecurity tend to stick to their closest social networks, while one who due to degrees of resources is freer to organise offensively, make use of acquaintances and foresee events in the future. This does not only apply for agricultural activities, but most dynamics in society (ibid: 202). This difference between being proactive, and on the other hand the passivity that often characterise poor community, seems to be one of the major differences between the two cases I have looked into. This characteristic of deprived communities is further in line with Knut Dahl Jacobsen's (1967) research on 'political poverty', where he questions why the issue of poverty is not more apparent in society and further, why is it not part of the central issues in social politics? In short, he answers this by saying that the issues that are raised through politics are created through social collaboration; they affect and are affected by political action and the supply of

political influence in society; when minority groups fall outside the accepted issues of social politics, as the land reform has till now reminded more of a social welfare programme than an agricultural reform (Gran 2006), it is connected to the fact that they are poor when it comes to political power. “Poverty is conditioned by poor influence, by *political poverty*⁹⁸” (Jacobsen 1967: 8). However, in South Africa the poor rural people can hardly be characterised as a minority group while, according to statistics, over 50 percent of South Africans live in small villages or rural areas⁹⁹. Further, in 2002 over 70 percent of the poorest in the country resided in rural areas, and over 70 percent of all people living in rural areas are poor (Kepe and Cousins 2002: 1). The more links one has towards important nodes or actors within the networks which govern, the more information and resources one will obtain (Granovetter 1983), and moreover, according to Jacobsen (1967), the more one will manage to influence ones own situation.

⁹⁸ Translated from Norwegian

⁹⁹ SA mediafacts 2009 – www.ond.co.za

Chapter 9: Conclusion

In this section I will try to give answers to the research question that I put forward in chapter four on my methodological approach by firstly going to go through the main themes that have arisen when analysing the two cases in chapter six, seven and eight. Moreover I relate this to the land reform programme in South Africa in general by looking at the concept of social capital and whether it can be built through engaging the rural poor and landless and further by influencing the political system. Finally I summarise some of the challenges facing the distribution of sustainable land reform.

9.1 Providing Answers to the Research Question

The research question I presented in chapter four had the following approach: *Are there certain factors that may explain why some land reform projects in South Africa succeed while others fail?*

In order to investigate this I first of all considered trust as a possible promoter of collective problem-solving within the groups of land reform beneficiaries. Secondly, I looked at the character of authority intervention from the land reform administration and the officials involved in the projects, before I, based on Granovetter's theory of the strength of weak ties, examined the links the beneficiaries had towards the governance networks with its private and public 'nodes'. By going through these notions in the two different cases, I have shown how having a degree of trust and confidence within groups will make communal problem solving easier than if there are levels of distrust. Further, this also makes the group more efficient in that the members may focus more on their tasks, and moreover on external factors that may affect the groups. In addition, chapter seven described how different relationships towards the government agencies and established roles and responsibilities might affect the assistance and the outcome of projects. Finally, I tried to show how weak ties towards the wider governance networks holding a variety of nodes might be a promoter of successful projects. The case of Vuki demonstrated that these traits of social capital; trust, characteristics of intervention from government agencies and links towards networks, push each other forward; they had links towards various nodes in the governance networks, and were a group that seemed to have high levels of trust between them and that worked well together. This again aggregated progress, and also linked them to new actors.

This enhancement of trust will in turn lead to more efficient collective action which eventually is followed by individual and social benefits (Rohe 2004: 159). Rohe's model, presented in chapter five on theory, demonstrates quite well the difference between the two cases I have studied; Vuki with members that were civically engaged and had weak ties towards the local businesses, municipality, and provincial government, and through this built a strong group that created individual benefits like housing and health care for its members, and further social benefits like education. In contrast, the farmers at Goodhouse were held outside the running and managing of the business, they did not seem actively engaged in a productive way, and there were low amounts of trust and links towards other social networks. This in turn led to a worsening of the situation for all. However, the farmers can not be held fully responsible for the outcome, while the private businesses that ran the company and the government agencies involved, did not assist in building this project in a productive and sustainable way. This assistance and character of intervention from government agencies, is one of the major differences between the cases. At Vuki, the farmers had acquaintances and were engaged in various spheres of public and private organisations. In this way, they fit the profile of 'new black commercial farmers' that has been put forward by the government, and probably for this reason had relations towards the government with characteristics of assistance and expertise, rather than authority and instruction which is more describing in the Goodhouse case. In addition, with links towards various actors within the governance networks of agriculture, the Vuki farmers had access to more information and resources than their counterpart Goodhouse, which were isolated, poor and relied more on their close social networks. According to Jacobsen's mentioned research, one may say that due to these circumstances, the Vuki farmers were more in control of, and could to a certain degree manage, their situation, while the Goodhouse community were 'politically poor' and therefore were held outside the management, control and decisions made in the project.

The Goodhouse case is further a prime example of how civic engagement and weak ties not necessarily leads to trust and social capital in a community. It was a skewed power relationship between the developers of the project and the beneficiaries, which demonstrated that all though the farmers were linked to private companies and governmental agencies through the developers, there were not much trust developed through these relationships, and no 'bridging' between the community of farmers and the wider governance network. According to Rohe, this scenario is often the case when community development projects are initiated by outside organisations (ibid: 160). This is a major challenge for land reform in

South Africa, where there has been placed great confidence in private companies and actors as promoters of land reform, both by government, certain scholars and society at large. The Goodhouse case demonstrated how the ‘strategic partner’ was highly unsuited for solving key issues in the community, other than employment. Moreover, the government agencies involved did not have the capacity to follow up or secure the situation for the community. This incapacity for evaluation and monitoring of projects is not unique for the Northern Cape Province, and therefore a real threat for weak poverty stricken communities all over the country that gets involved in land reform projects with strategic partners. When the risk is transferred from the private partner or government to the beneficiaries, as in the Goodhouse case, it might end up worsening the situation for rural communities rather than improving it.

Rohe goes on suggesting that interpersonal trust within a community and trust towards representatives of outside organisations are vital ingredient of any successful community development effort (ibid: 159). However, how this trust may evolve is hard to establish. As mentioned in chapter two, there are severe issues concerning trust throughout the South African society. According to Briggs “trust is hard won and easily lost, especially where a history of inequality and resentments across ethnic or other social borders cast a shadow” (Briggs 2008: 11). This is a highly suitable statement for describing how there are amounts of distrust in the post-Apartheid South African society. This in turn makes rural development and cooperation a challenge. Gran found through his studies that the government institutions in the Northern- and Western Cape Provinces are poorly organised and further that there are distrust between the members of the different institutions (Gran 2006). This makes development of trust through civic engagement difficult, while, as Rohe mentions, civic engagement may also lead to even greater mistrust in a society. With inefficient government institutions as one of the major reasons mentioned by scholars when explaining the slow redistribution of land, and even mistrust within these institutions themselves, this problem of distrust towards government through engagement may be a highly relevant issue when it comes to improving the conditions for rural inhabitants of the country. If, for example, members of a community would engage in developing their area, but the local and provincial officials were to ignore or disturb the plan and engagement made by the members, the distrust among residents towards local, provincial and national government may increase (Rohe 2004: 160).

9.2 Can social capital be built?

Poverty is not solely understood in terms of low income and consumption, but moreover peoples' ability to provide for basic needs and possibilities for personal and social development. Capital, such as financial, natural resources, land and social capital are part in establishing peoples' ability to meet these needs (Adams et al. 2000: 116). In rural areas of South Africa, social capital may provide people with opportunities when they lack financial capital. Memberships of kin groups, or strong ties towards other members of a community, are essential in providing support for the people living in extreme poverty, while they may give them access to natural resources and opportunities for paid work (Ibid: 116). However, as mentioned in chapter eight; networks that are based on close relationships, which often are vital to the rural poor, are often connected with economic insecurity and lack of social services. Poor people have a tendency, more than others, to get stuck in these structures, thus they are dependent upon these networks to keep their head above water. On the other hand these networks might keep them from actually obtaining any progress or improvements in their situation. This is in line with Granovetter's theory of the strength of weak ties, where he postulates that the fact that poor people seem to rely on strong ties due to economic pressure, may be one of the reasons why poverty is self-perpetuating (Granovetter 1983: 213).

The lack of links or weak ties going from the poor rural areas towards the established agricultural networks, and moreover influence towards the political system, has been proposed as some of the main hold-backs when it comes to the hitherto performance and influences of land reform on rural areas. According to Rohe, building social capital will require a two-sided strategy. First of all, there must be an increased engagement in community development activities by community residents, in this context the rural poor and emerging farmers. Secondly, at a larger scale, the systems must be opened up for participation and influence from community members; "if we engage people but that engagement doesn't influence the dominant political and economic systems, engagement is likely to lead to cynicism, apathy, and distrust, rather than to trust" (Rohe 2004: 162). In the context of land reform in South Africa, these notions may be translated into engaging the rural poor in land reform and further, influencing the political system.

9.2.1 Engaging the rural poor

When looking at citizen engagement Rohe suggests that one must make a distinction between horizontal and vertical engagement (ibid: 160). Horizontal engagement and integration is important in order to get a significant number of engaged citizens, if this is not accomplished, it will be difficult to get things done and moreover hard to influence the actions of larger community organisations (Ibid: 160). According to Saruchera there is a need for African people to understand and analyse the challenges of securing land and resource rights in order to fight poverty, exploitation and oppression. Further, he suggests that this is an essential prerequisite for the ability of the previously oppressed to participate efficiently and influence the international and national policy making that effects them (Saruchera 2004: 1). He goes on suggesting that “the role of civil society actors in capacity building, conflict management, policy making, networking, information and experience-sharing...is essential to meeting the development challenge” (ibid: 1). Moreover, when a group or community experience great support from “within”, it makes gaining support from external actors easier. Thus, the horizontal engagement is often insufficient; however it will be a promoter in linking the members of the community to, and engage them with actors and organisations outside the community (Rohe 2004: 160).

Vertical engagement refers to this effort of being engaged with external actors. These relationships have the potential of extending the resources of the community, and further, increase the community members’ information and expertise (ibid: 161). However, as mentioned, whether these links will in fact better the situation for the community will rely on whether there are created bridging between the actors or not. Vidal (2004) distinguished between horizontal and vertical engagement through the concepts of ‘bonding capital’ and bridging capital’. Bonding capital brings people who already know each other closer together and makes communal problem solving possible, while bridging capital connects people who previously had little or no interaction (p. 165). Both are important when developing a community and creating communal problem solving; the success of collectivities will depend on how the members make adaptations individually and further, how they together manage the outcome generating system (OGS) “that maximise their ability to tap and coordinate knowledge and capacity throughout the collectivity (Burriss et al 2005: 36).

Looking at the case studies in my research, Vuki is an example of how being linked to external public and private actors may in fact strengthen a group and assist in their progress. However, there is reason to believe that most rural communities and land reform projects go more in the direction of the situation at Goodhouse, rather than Vuki. This suggestion is based on what research in the field of land reform projects generally concludes with, namely that most project have a limited impact on rural livelihoods and productive land use, and that the most common reason for this is claimed to be “inadequate or inappropriate planning, a general lack of capital and skills among intended beneficiaries, a lack of post-settlement support from state agencies, most notably local municipalities and provincial departments of agriculture, and poor dynamics within beneficiary groups” (Lahiff 2008: 6). Thus, in order to build stronger groups and link them towards external actors and organisations, there is a need for a broader land reform programme with capable officials at local levels to monitor and evaluate the projects after they have started up. The Goodhouse-case demonstrates how there is a need for extended government control, monitoring and evaluation in land reform projects. Handing over land and money to a project is necessary, but far from sufficient in making the projects successful. There must further be access to markets, machinery, infrastructure for transport and communications, as well as support when it comes to extension, training and marketing advice. According to Cousins (2001), these are traits are absent in most land reform projects (p.17). Although connections towards the governance networks are important for the emerging farmers, it is unlikely as the situation is now, that the rural poor are going to be able to make these connections, or manage them, on their own. The rural poor are poor in resources, connections outside their communities and political influence. Therefore, an increasing amount of researchers find that the state must broaden the support offered to the land reform beneficiaries. Some scholars find that it might be necessary with a strong state with land ceilings, taxation etc. in order to make the markets work for the poor emerging farmers. Other suggested methods are subdivision of land, expropriation, forced advertising of land-sales and so on¹⁰⁰. Cousins state that “even World Bank economists are now beginning to question the practises of the international financial institutions, and the conventional wisdom of the neo-liberal economics. In the last few years the idea that the state has a central role to play in development has staged a belated come-back in development theory” (Cousins 2001: 1).

¹⁰⁰ Why do the landless remain landless? SPP 2002

The land reform programme so far has given little attention to the multiple issues that face the rural population in the country, and almost no new policies or mechanisms has been proposed in order to speed up the redistribution of land or broaden the base of beneficiaries, especially the people living in extreme poverty who wish to do small scale farming (Lahiff 2008: 31). With the introduction of the LRAD in 2001, there was a further narrowing down of beneficiaries as there was a “clear shift away from land reform as a programme aimed at rural poor and landless to one that aimed at the creation of a new class of commercial farmers” (Hall et al. 2003: 32). The ones that to a large extent benefit from the land reform programme as it is now are the rural elites, which promotes an idea of “them as has, gets” instead of relieving the devastating poverty that persists in the rural areas. Therefore, it is important to determine *who* decides *what* rights for *whom*, in which the political system has a critical role to play (Saruchera 2004: 1).

9.2.2 Influencing the political system

A major issue when it comes to agriculture in South Africa is the grassroots’ lack of influence on the governing organisations in land reform. Thomas and Grindle claim that “groups that are already organised around common interests will respond more quickly to perceptions of threat to their self-interest than their less organised counterparts, and will be much more efficient participants in public affairs” (Thomas and Grindle 1990: 1176). In South Africa, the emerging black farmers seem to be poorly organised and “politically poor”, while the white commercial farmers have over several years built strong markets and organisations. This consequently suggests that the established white commercial farmers have a good chance of influencing the political system and therefore the outcomes and policies. The small-scale rural farmers on the other hand, are often separated geographically, and do not have the same history of strong organisation. This may be an important aspect to acknowledge when it comes to lack of voice and development in small-scale rural agriculture despite governmental programs and reforms. Knut Dahl Jacobsen's studies confirm that strong farmer organisations are important in developing agriculture. He employs David Easton’s model of the political system and how it is affected by its environment, in the context of the transformation of the Norwegian agriculture from mid 19th century to the beginning of the 20th century. One of his findings related to how the farmers had to act together as a group in order to influence the external changes (Jacobsen 1966: 81).

Further, Jacobsen also found that the definition of problems within the administration was closely linked to the officials' private aims and social identifications. In the initial process of transformation they chose to focus on the upper class clientele partly because it was in accordance with their own social attitudes as professionals and moreover in accordance with a 'profit model' that was to improve the efficiency and surplus of agriculture (ibid: 89). These characteristics correlate closely with some of Gran's findings in the context of South African land administration. Like several other scholars, he finds that the land reform programme has been consciously focussed on creating a group of black commercial farmers. Further, the ANC government made several promises to the international community of developing the South African economy as a part of the global market when they came to power in the early 1990s, which in turn is one of the motivations for the focus on emerging black commercial farmers in the rural areas of the country. In addition, ANC members became "legitimate and important members of the urban middle class in South Africa" (Gran 2006: 191), which in accordance with Jacobsen's research have further increased the focus on the higher class, resourceful farmers. Hence, these obligations within the government have, according to Gran "seriously slowed land reform down and...led to a devaluation of knowledge of small-scale agriculture rurally and inside the land bureaucracies", and further "led to the assignment of low priority to the development of local government, where such knowledge of conditions/demands for small-scale farming was present" (ibid: 192).

However, although there are obvious advantages in formal organisation, it is also probable disadvantages or even dangers involved. Monique Nuijten suggests that in some societies it may be better to remain outside the control of the state, especially when it is known to be "unpredictable, dangerous, and sometimes violent" (Nuijten 1999: 2). Further she suggests that although these informal networks may be looked upon as corrupt and damaging for the rural poor, it may to some extent provide them with freedom and liberty in their actions; it may be more important for rural households to engage in loose personal networks that go beyond the village borders instead of getting organised in local collectives (ibid: 2). Hence, the rural poor may have justifiable explanations for staying outside formal organisations for reasons that may not be obvious for outsiders. Many other researchers have written about the disadvantages of organisation and standardisation in a society, among them James C. Scott. One of his remarks is that "the more static, standardized, and uniform a population or social space is, the more legible it is, and the more amenable it is to the techniques of state officials" (Scott 1998: 82). Thus, it is important to see both sides of formal organisation in rural areas of

South Africa. Even if the inhabitants may get more protection from state officials through formal organisation, they will also experience increased control and standardization.

There is nevertheless still need for an increased participation and strengthening of grassroots movements in order to influence the politics and policies of agriculture in South Africa. According to Gran (2006), a strong popular demand for redistribution of resources and a high level of international legitimacy of this reorganisation, was the reason why the massive transformation of the country in the 1990s was possible (p.192). As it is now, the popular awareness and thus demand for a change in the rural areas seems to be lacking. Due to this, civil society organisations (CSO) are struggling to get funding and are thus constrained by this in addition to organisational weakness. The NGOs are important contributors of assistance to these CSOs, but they are themselves limited, in part by the “growing NGO professionalism and neo-liberal ideological pressure for individual advancement” (Saruchera 2004: 2). Accordingly, land reform are receiving little input from the rural poor, which in turn has negative impacts on implementation and the establishing of political support for land reform (Hall et al. 2003: 33).

9.5 Increasing the possibilities for successful land reform projects?

Some of the main contributions intended by the Land Reform Programmes is to *promote social justice and socio-economic equity* (Hall et al 2003: 25), and to change the racially skewed pattern of landownership after Apartheid. In practise, there have been paid very limited attention to wealth, gender and age in choosing beneficiaries. The main issues so far in land reform has, according to previous research, been inappropriate policies, institutions that are unfit for their tasks, a skewed profile of beneficiaries, a lack of spending the budget the first years followed by draining the budgets for years ahead following LRAD, and problems of acquiring land for the previously disadvantaged¹⁰¹. This may threaten to expand the differences within the poverty-stricken communities instead of changing the patterns of landownership, which in turn means that the poorest of the poor in rural areas, may be further disadvantaged.

¹⁰¹ Policy Brief series – PLAAS. www.plaas.org.za

According to Rhodes (2003), the self-organising networks resist steering from government and further Briggs (2008) postulates that there must be a capacity to work together in local communities in order to promote sustainable problem solving. Exactly this lack of steering from government in South Africa, and moreover the weak grassroots organisations and politically poor rural inhabitants is a combination that seems to be devastating for the beneficiaries land reform programme. In order for rural poor emerging farmers to be able to influence the politics and policies of land reform, there must be an increased awareness of this need to include and engage the rural poor in the land reform programme. Until now, “only lip service has been paid to the notion of community participation” (Cousins 2001: 18). Secondly there must be a more comprehensive support from the state towards the beneficiaries. The DLA, which is responsible for policy making and the managing and implementation of the policies, does not seem to handle their responsibilities well, and are because of this dependent upon assistance from and partnerships with private and civil society actors in the implementing process (Hall et al. 2003: 2). Receiving support from civil society and private investors however is not the issue; an increased participation from other spheres of society may be a resource in the transformation process by i.e. providing vital ‘bridging’ between the established agricultural governance networks and the deprived rural communities. However, the government must recognise their central role in the land reform projects. As mentioned, the Goodhouse case was a good example of how the land administration does not have the capacity to plan and implement complex commercial deals. If the state is going to keep promoting these partnerships with private investors they have to look at their own partaking in the partnerships in order to assist the farmers in a best possible way; there is a need to develop and effectively manage a clear implementation strategy for land reform that is binding for all provinces and spheres of the state (ibid: 33). Finally, land reform will only be effective and sustainable if embedded within a broader programme with extensive cooperation between the various government departments that are providing for the landless and poor in South Africa. In addition to the need for redistribution of land to the previously oppressed, there is an urgent need for housing, education, proper infrastructure, delivery of water and electricity, dealing with the HIV/Aids pandemic etc. in order to promote sustainable rural development for the millions of previously oppressed living in the rural outskirts of the country.

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11 Appendix

I: Rural Claims Settled – National Summary, 31. March 2006

Province	Number of rural projects	Number of rural projects involving land restoration	Number of claim forms	Number of claims settled	Households	Hectares	Land cost (R millions)	Financial compensation (R millions)	Total grants (R millions)	Total award cost (R millions)
Eastern Cape	38	23	161	161	17 347	67 248	28.2	72.8	119.2	220.2
Free State	8	6	7	7	1655	44 094	7.2	1.3	7.2	15.7
Gauteng	6	3	1 579	1 579	2028	3444	19.4	14.2	4.3	37.9
KwaZulu Natal	62	56	90	90	1 5781	325 959	630.6	48.9	207.5	893.3
Limpopo	60	52	181	181	22 179	178 329	586.4	1.2	105.9	693.5
Mpumalanga	39	37	205	205	26 676	88 748	299.6	0	123.3	422.9
Northern Cape	13	13	14	14	5 969	246 679	48.8	4.7	36.6	90.1
North West	45	41	166	646	12 630	86 781	124.2	0	58.5	182.7
Western Cape	9	2	144	144	1280	5246	4.6	25.0	2.4	32.1
Total	280	233	2 547	3 027	105 545	1 046 528	1 749.0	168.1	664.9	2 588.4

(Lahiff 2008: 18)

II: Claims settled, by province, 2006/07

Province	Settled	Rural	Urban	Households	Beneficiaries	Hectares
Eastern Cape	42	15	27	5 648	15 893	15 389
Free State	463	4	459	646	10 279	0
Gauteng	15	7	8	1 352	6 494	4 002
KwaZulu Natal	267	67	200	11 717	72 748	10 087
Limpopo	72	71	1	7 297	48 090	152 687
Mpumalanga	334	315	19	7 159	30 346	113 238
Northern Cape	102	11	91	4 698	26 195	58 710
North West	214	213	1	10 863	47 073	134 876
Western Cape	1 263	3	1 260	2 691	11 992	15
Total	2 772	706	2 066	52 071	269 110	579 004

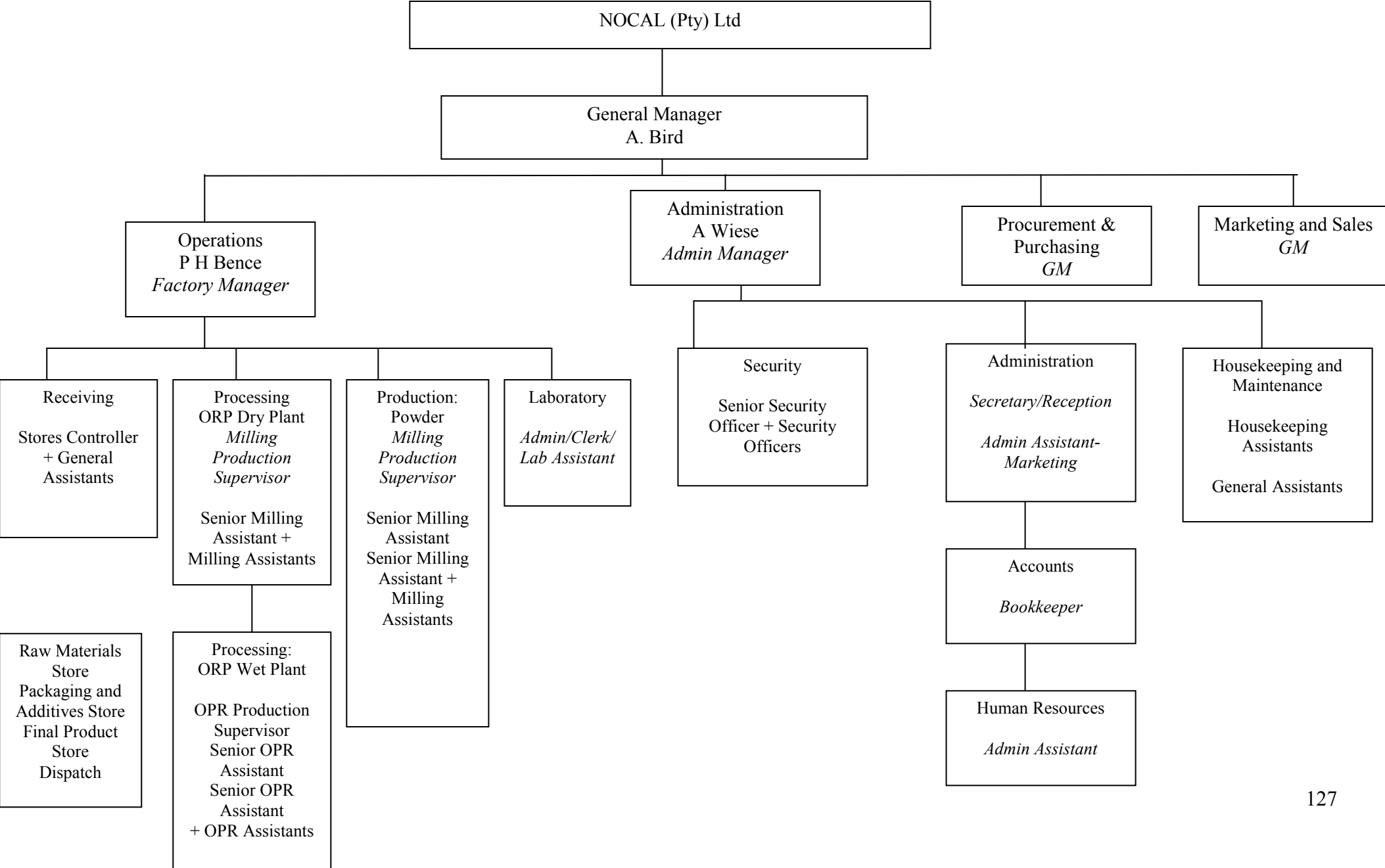
(Department of Land Affairs, 2006/07 Annual report to the Select Committee on Land and Environmental Affairs, 6.November 2007).

Land Transferred by restitution and redistribution, 31. March 2007

	Redistribution	Restitution	Total
Hectares	2 299 000	1 897 000	4 196 000
Percentage	54.79	45.21	100.00

(DLA 2007: Presentation of the 2006/07 Annual Report to the Select committee on land and environmental affairs, 6.nov 2007)

IV: Organisation Map, Goodhouse (SPP-files)

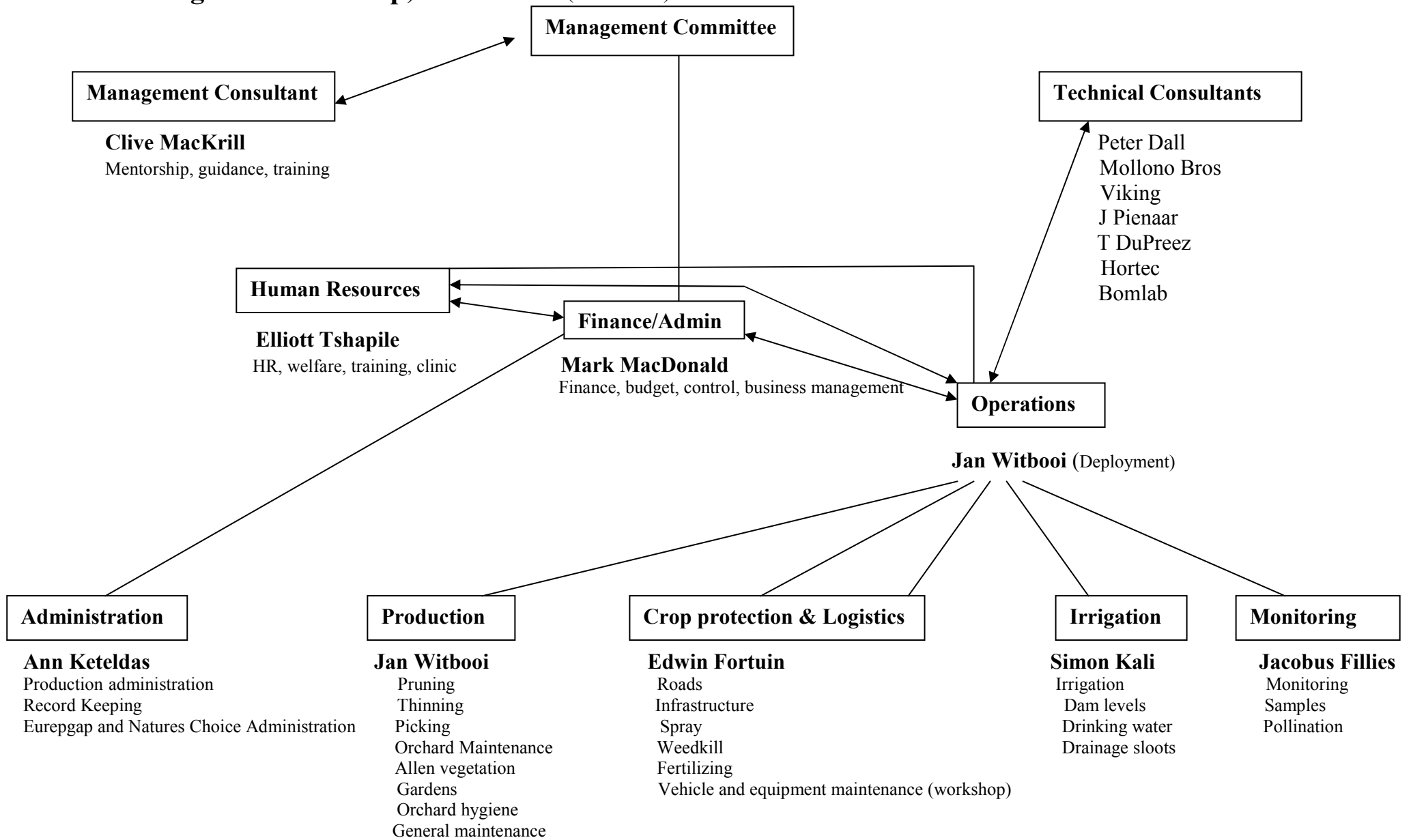


V: Map over the Western Cape Province



(http://upload.wikimedia.org/wikipedia/commons/thumb/8/8c/Map_of_the_Western_Cape_with_municipalities_labelled.svg/500px-Map_of_the_Western_Cape_with_municipalities_labelled.svg.p)

VI: Organisational Map, Vuki Farm (DLA-files)



VII

