

# **'New' agrarian reform proposals and accumulation in South African agriculture**

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# **Political and social dilemmas under power-sharing agreement in 1994**

**Widespread promises to highly politicised black population anxious for qualitative social change: poverty eradication, full employment, redistribution of resources, social integration and protection of human rights;**

**Market liberalisation to attract greater investment, high-value export agriculture, structural adjustment and streamlining the state budget seen as the key to modernizing the economy**

**Constitutional protection of private property but redistribute land to black rural population**

# **Land division 18 years after apartheid**

**17% of rural land is held by 16-18 million black farming households (4 million households), mostly as 'trust' land set up under apartheid.**

**Nearly 80% owned by 35 000 – 39 000 white commercial farmers – but owning almost same percentage: suggests concentration in larger units**

**Only 7% redistributed through land reform but nearly half of that “leaked back” to previous white owners - resale**

- **Commercial agriculture shapes and dominates agrarian economy overall: highly centralised with a handful of large conglomerates, either reorganised central cooperatives or agribusinesses, upstream operations with an interest in other sectors of the economy.**

# **Streamlining commercial agriculture**

- Land consolidation measures began in 1980s;
- De-regulation;
- State subsidies to white farmers gradually reduced, weeding out less productive farmers
- Fewer (large) commercial farms,
- More finance capital pumped into agribusiness
- Privatisation of development banks
- Price controls on food removed – impact on food security on poor rural and urban households
- Overall effect was to strengthen agribusiness

# **Market-based state-assisted land reform**

- **Redistribution, restitution, tenure reform programmes within land reform, all based on purchase of white-owned commercial farmland at market prices with state assistance; Willing buyer/Willing seller**
- **Maintain both the productive white commercial agricultural sector as it existed and “deracialise” -- expand the number of black commercial farmers within it**

# **Failed national land reform since 1994**

- non-distributive with weak rights to land – difficult to implement; old power structures and social practices in the countryside**
- few new black farmers successfully integrated into commercial sector – capital, support, infrastructure and services, competitive environment – cards stacked against them**

# What 'new' development plans?

- The **New Growth Path (NGP)** and 2030 **National Development Plan (NDP 2030)**
  - latest macro-development frameworks in South Africa
  - presented during early phase of Zuma Presidency (2009-2011)
  - promise to “restructure” South Africa’s unequal ‘ownership and production’



# What 'new' development plans?

- NDP 2030 is a **20-year** plan developed by the National Planning Commission; NGP shorter horizon (2020?) **under the EDD**
- Both claim to follow in old RDP footsteps
  - **History:** adopted in the 1994 but dumped in 1996 in favour of neoliberal macroeconomic policies

# What 'new' development plans?

- **On the surface:** bold commitment to tackle longstanding and big socio-economic challenges in South Africa:
  - **Create JOBS** (*unemployment fluctuates around 25%*);
  - **Reduce POVERTY** (*around 40% and falling?*)
  - **Reduce INEQUALITY** (*from 0.60 GINI to 0.70*)

# A roadmap for 'new' land and agrarian landscape?

- NGP& NDP 2030 state 4 major land reform and agrarian change themes:
  - Expand numbers of & support for smallholder farmers (+300,000 by 2020)
  - More farmworkers under better conditions in agriculture (+1 million by 2030)
  - Food security for all
  - "Green economy" initiatives in agriculture
- **BUT**: existing large-scale commercial farmers given a leading role in neoliberal agrarian restructuring today & over the next 2 decades

# A roadmap for 'new' land and agrarian landscape?

- *3 channels to 'connect' smallholders* into farming for profit and capital accumulation:
  - ☐ in each municipal district with farmland available, established farmers help to identify 20% of land to redistribute through local land market
  - ☐ speed up tenure reform in former bantustan areas
  - ☐ integration into agro-food value chains under control of large corporations

# HARD REALITIES: Concentrated Ownership

- *Farmland ownership* mirrors increasing concentrated ownership in agriculture for profit and capital accumulation
  - *Capital stock at R242 billion & 60% 'farmland' share- 20% fall compared to 2 decades ago*
- Rising share of *new investments in agriculture* poured into machinery and 'ecologically harmful' inputs

# HARD REALITIES: Concentrated Ownership

- Who are the *Investors* in dominant agricultural system?
- Farm investment increasingly covered through *commercial bank credit* -- lending to sector that is less able to service and repay debt
- *Reinforces power of finance capital* in agrarian capitalism

# **Rising food costs: concentration in agro-food value chains**

- **Soaring staple food prices push urban and rural poor into food insecurity and hunger: food affordability question**
- **The cost of bread at retail level has been rising twice the upper-band of inflation in the last year -- after the Competition watchdog started to breakup cartels in wheat-bread value chain**
- **Four corporations control SA agro-food processing and are moving into other parts of Africa**

# Land concentration: the case of expanding private wildlife production

- Conversions of stock and crop farms to producing wildlife: about  $\frac{1}{4}$  of South Africa's commercial farms -- nearly 9000 -- have diversified operations to some form of game ranching or have converted altogether
- About 20.5 million hectares of farmland, or nearly 23% of South Africa's total farmland.



# **Private wildlife ranching, a particular form of scale**

- **major shift in land use**
- **land concentration (ownership, production, distribution)**
- **changes in social relations on the land**
- **compare to 18 year period of land reform & goals of diversification of landholding, rural development**
- **social effect – farm dwellers living and working on white commercial farms (farm dwellers)**
- **conservation vs agriculture and food production**

## **Forces driving this trend:**

- white landowners seeking diversified form of accumulation under conditions of de-regulation, re-regulation in context of greater competition as part of global market (macro pressures), export production**
- growth of agribusiness and concentration of production in larger units**
- concentration of land both a goal and a result**
- land and labour reform**
- conservation and expanding wildlife species**

# **Displacements and social effects**

- **Earlier waves of evictions in early 2000's; now farm dwellers pressured to leave:**
- **jobs end, less access to resources for livelihood strategies;**
- **landowners destroy houses and other infrastructure to recreate appearance of 'unspoiled wilderness'**
- **no protection from wild animals,**
- **some small pay outs; avoid courts & institutions.**

# Casualisation, loss of land and land rights

**Most farm dwellers end  
up in rural informal  
settlements and rural  
townships**

**In Trophy hunting  
subsector, most lose  
their jobs; a few farm  
workers are retained  
for skinning, tracking,  
fence repair;**

**(See Mkhize 2012 and Brandt 2013)**

- **By 'expelling' tenants,  
owners make rights to  
land rights very difficult to  
prove and to implement –  
rights which are already  
minimal within land  
reform**
- **Farm dwellers have little  
awareness of rights**

## **Large luxury private game reserves**

- Higher (minimum) wages for making beds, kitchen and cleaning work than for farm labour (sectoral determination)- mainly women.**
- Mostly maintenance and security jobs for men, often on casual basis**
- Downturn of luxury tourism market immediately meant retrenchment or part-time work; casualisation**
- Boosts already extremely high rates of unemployment in rural settlements and townships**

**Absorption of farm labour by either formal or informal economy is a myth;**

**Marketing of upscale private wildlife-based tourism and corporate social responsibility programmes instrumentalise notion of community development, with very few initiatives on the ground, often confounded with conservation education**

## Conclusions

- Dramatic land consolidation and concentration through merging of farms and scaling up of private wildlife production
- Major change in land use: controversy over food production and food security vs large-scale land use for wildlife, largely serving leisure markets
- Loss of livelihoods and foothold on land for farm dwellers with few prospects in new situation
- Ambivalent and/or contradictory role of state towards private wildlife production reflects broader political dilemmas

(N.Andrew's research on luxury private game reserves was carried out within the framework of an inter-university project (UCT/UFS/VU) called 'Farmdwellers, the forgotten People? Consequences of conversions to wildlife production in KwaZulu-Natal and the Eastern Cape' and some points in this presentation benefit from collective findings as well as student research within the project.)

# General Conclusions

New state agrarian proposals to expand smallholder farming for commercial sector are likely at best to create an artificial enclave within the current framework: accumulation for a few black farmers, but mostly for agribusiness; in its hands, 'restructuring' is a misnomer.

Greater financialisation of sector together with concentration of land, agricultural production and value chains also likely to have negative impact on food accessibility, land redistribution and rural poverty in general; highly unlikely to create jobs and improved prospects for farm workers; tenure reform currently at an impasse and not far-reaching.



## **A different scenario?**

**Instead of 'allowing' a very modest number of black commercial smallholders to compete with (and in most instances be squeezed out by) established farmers and/or corporate agriculture, and instead of viewing the rural poor as an obstacle to this highly unequal development, a different approach would be to mobilise them – including those who want to farm on a different basis – to carry out thoroughgoing transformation in their interests together with others dispossessed and disenfranchised by the policies of the past – and present.**

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