

LAND REFORM: “MAKING THEIR OWN MIRACLE” - A CASE STUDY OF A PARTICIPATION MODEL

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ABSTRACT

In the late eighties Dr Pieter Kieviet from the farm Kievietsocalley in the Badplaas area of Mpumalanga realized that his farming enterprise need a change in management and decision making. The idea was to develop a participative approach between owner and workers. In June 1996 the Ebukhosini Worker’s Trust was formed. The scheme allowed for a combination of share interests belonging to the current owner, his family and the farm workers.

Although the whole idea can still be seen as a success, some problems were however experienced.

The model (or scheme) can work and should be promoted but specific actions need to be implemented. Implementation of a mentorship program; availability of an after care service; selection of prospective farmers should take place as well as incentives to be available to farm owners and farm workers to get them involved in land reform projects to create their own miracle.

1. INTRODUCTION

Land reform is not unique to South Africa or southern Africa, it is a worldwide phenomenon. A quick glimpse to land reform worldwide displays the following problems and threats:

Algeria and Morocco: “having acute land ownership problems” (Wongibe, 2002:20).

Brazil: World Bank model “more people are leaving the land than profiting from land distribution – the whole process is slow”. (Windfuhr, 2002:13).

Combodia: Most private landowners do not have land titles. This threatens the poor with land grabbing. Land registration not well developed. Overlapping claims, false claims and land disputes (Zimmermann, 2002:16-17).

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Cameroon and Ghana: Land ownership and inheritance practice causes serious problems (Wongibe, 2002:19-20).

Egypt: Land distribution problems – searching for a tenable solution, heavy taxes have been imposed (Wongibe, 2002:20).

Gautemala: The unsolved land issue. “Many farmers cannot live off the land” (Geuder-Jilg & Petermann, 2002:11).

India: Necessary but not sufficient to fight poverty. “These rich people will even take our little land away from us” (Chatterjee, 2002:21).

Kenya: Activists are rallying landless peasants against those commonly known as “land grabbers” – a handful of politically influential individuals (Wongibe, 2002:19-20).

Namibia: Following the “willing-seller, willing-buyer” approach-only 40 000 people has been resettled on farms since 1990. A very slow process (Wongibe, 2002:20).

Zimbabwe: Land for ex-combatants: A lose lose situation. It is not a land reform programme – it is a “crusade” (Wongibe 2002:19).

What is the situation in South Africa? In Table 1 is an indication of the total number of agricultural related land reform beneficiaries where more than 77 000 households and an estimated 462 000 persons have been directly effected (PAETA, 2002:12).

South Africa is fortunate that there is an official land reform programme. This programme is also part and parcel of “The Strategic Plan for South African Agriculture”, accepted and supported by organised agriculture. In the strategic plan it has been defined as: “Fast tracking the programme of land redistribution for agricultural development and processes of empowerment for targeted groups” (National Department of Agriculture, 2002:2) and identified as one of the priority programmes and actions.

What is however a worrying factor is the number of failures of land reform projects reaching the headlines of the media:

- “’n Plaas maak jou nie ‘n boer nie” (A farm does not makes you a farmer): 65 prospective farmers bought a farm – 140 hectares of irrigation – last year the farm was sold on a bankrupt auction” (Rapport, 23 February 2003).

Table 1: Total number of land reform beneficiaries (agriculture related) in the Republic of South Africa, 2002

Province	Number of projects	Re-distribution	Restitution	Tenure	Total
Eastern Cape	120	7 711	5 917	7 945	21 573
Free State	149	2 550	362	None	2 912
Gauteng	44	1 630	109	#	1 739
KwaZulu-Natal	37	2 588	#	None	2 588
Mpumalanga	90	6 726	2 762	2 436	11 924
Northern Province	77	#	#	#	6 735
Northern Cape	81	2 456	3 083	None	5539
North West	60	6 484	3 901	9 649	20 034
Western Cape	47	1 654	1 276	1 203	4 133
Total	705	31 799	17 410	21 233	77 182

Information not available from the Department of Land Affairs

- “Land deal farms fiasco”:
Three years after 14 farms (R43-million land deal) were given to their new owners, only two are still productive (Citizen, 26 February 2003).

South Africa cannot afford failures such as these any more. If we want to end the hunger in Africa, a productive and economic viable agricultural sector that includes large, medium and small scale farming enterprises is a necessity.

Can land reform projects be successfully implemented? Are there projects that have been successfully implemented? The answers are yes. This paper is about a land reform project between a farm owner and his farm workers, from the farm Kievietsvalley in the Badplaas area of Mpumalanga, who can today be described as a success, where they have committed themselves to making their own miracle.

2. WHERE DID THE KIEVIETSVALLEY STORY STARTED

In the late 1980's Dr Pieter Kieviet from the farm Kievietsvalley realised that his farming enterprise need a change in management and decision-making. He arrived at the point, recognising the importance and necessity of involving the farm workers in management and decision-making activities on the farm. The idea was to develop a participative approach between farm owner and farm workers. In 1993 the idea was proposed to the supervisors on the farm. With the help and support of the Development Bank of Southern Africa (DBSA), Coopers and Lybrand Management Advisory Services (Pty) Ltd

(C&LMAS) and the University of Pretoria a task team was formed to investigate a proposed scheme/project. The Task Team (TT) was given the instruction to investigate a possible and workable but economically viable scheme involving and empowering farm workers in the process.

3. POINTS OF DEPARTURE

A number of key points were defined by the TT as a framework for completing the assignment based on the terms of reference.

3.1 Key elements of the approach

The following key elements of the approach were identified:

- Each person involved with the farming operation is a unique individual with his/her own framework of needs, abilities, aspirations constantly subject to change and development;
- People learn new things and expand their knowledge in an ongoing process of self-development;
- An opportunity for personal growth and development as far as possible be fostered within the management and employee structures present in the business. In time all persons should be given opportunities to take decisions as a member of a team and to execute such decisions and to also report thereon;
- These processes must also be embodied in a value system for the business which everyone understands and accepts. Aspects such as integrity, attitudes, management styles, inter-personal relationships, moral standards, discipline and respect within the business structures should be developed and accepted to the benefit of the business as a whole and
- The fundamental aim of change within the business and personal environments of every person is to give increased meaning and quality to life; to make the working environment, lifestyle and surroundings more acceptable in the long-term (C&LMAS, 1995).

3.2 Key elements of the feasibility review

For the scheme to be feasible the following aspects were identified by the TT and considered fundamental to the approach.

3.2.1 Policy goals

A number of policy goals were formulated as a framework for the development and implementation of the proposed scheme, summarised as follows:

a) *Effectiveness*

In order to guarantee the long-term effectiveness of the scheme, all the elements of the project should be managed in terms of sound and healthy business principles,

b) *Sustainability*

The processes underlying the proposed scheme must be economically and socio-politically sustainable in the long-term. Emphasis should therefore be placed on training and capacity building at worker and management levels.

c) *Financial discipline*

The aim of the proposed scheme should at all times be to maintain and enforce strict financial discipline within the business environment.

d) *Stakeholder participation*

The proposed scheme should be fully debated, analysed and planned for on an inclusive basis. All potential future stakeholders should be consulted and kept up to date with developments. No uncertainty should be allowed to exist in the mind of any potential participant as to the aims and objectives of the scheme. In this way the optimal utilisation of opportunities could potentially take place once implementation is proceeded with, as all employees might be willing to support and participate in the scheme.

e) *Transparency*

All aspect of the feasibility of the project should be as transparent as possible to all stakeholders. Ample opportunities should be created for each individual to ask questions and to obtain explanations. Adequate time should therefore be given for all stakeholders to decide whether or not they want to participate.

f) *Structured and coherent approach*

Development and implementation of the proposed project should as far as possible be approached on a structured and coherent basis. Equitable participation by all stakeholders is important.

All participants should be treated equally within the different elements of the scheme. No person should have to pay more or receive less than the other for the same benefit. On the whole the scheme should however be financially and economically sound.

g) *Added value*

The scheme should aim to add value to the long-term potential of the farming business, as well as to the offer increased opportunities of all stakeholders.

3.2.2 Stakeholders being targeted

The final numbers of participants in the proposed scheme have not been finalised. The process of implementation must therefore leave room for additional employees to also join the project, should they resolve to do so at a very late stage.

3.2.3 Legal framework

The legal framework of the project finally decided upon should be able to accommodate and protect the rights, obligations, interests and continued participation of all stakeholders. It must furthermore do so in the most cost effective and efficient manner possible. It will obviously be implemented subject to the laws of South Africa.

3.2.4 Financial and economic approaches

The proposed scheme should not result in the mere shifting of liabilities from the existing to the future stakeholders or from one party to another. It should be structured in a logical equitable manner which will take account of the financial position and abilities of each stakeholder. The purchasing values attached to the farming properties should also reflect, as far as possible, the underlying productive values thereof and not only the historical market values.

3.2.5 Management

The envelope of experience, capacity and ability of the present management structures should be retained at all costs in order to give executive direction and leadership during the initial years following implementation. The emphasis should move to the expansion of these capacities amongst all employees in order for the project to have access to the necessary skills in the long-term (C & LMAS, 1995).

4. THE EBUKHOSINI PROJECT

After several months of investigations and negotiations within and between all stakeholders the Task Team came to the conclusion that the proposed farm worker participation scheme that was developed appears to be feasible and could be implemented. In June 1996 the Ebukhosini project and equity sharing scheme comprising of several sub structures and a combination of share interests belonging to the current owner, his family and the workers were registered and implemented. It consists of the following:

- *The Farming Company*
A new farming company was created to run the farming business on the farms involved. The farming company do not own any farms.
- *Ebukhosini Workers Trust*
A Workers Trust the Ebukhosini Trust was registered. It represents the joint undivided interests of the participatory farm workers (members). Initially 111 farm workers join the Trust. These interests represent a 100% ownership of the Ebukhosini Farms (Pty) Ltd (in total 612 hectares was bought by the workers) and a 40% interest in the Farming Company.
- *Ndelandhle Share block Company*
The Ndelandhle Share block Company Ltd was formed where individual members of Ebukhosini Trust can each take up an equal amount of share blocks in the share capital of the Ndelandhle Share block Company. This Company will manage the Share blocks Scheme and will sign a long-term "hire agreement" with the Ebukhosini Trust whereby a portion of the farm will be hired for the purposes of developing residential quarters, and houses for individual members. This structure is however not yet in operation.

It is totally impossible to discuss all the technical aspects involved. What is however important is the fact that the project and subsequently the

proposed scheme was investigated and approved by an independent and highly skilled organisation. Everything possible was done to involve all stakeholders and to make sure that the stakeholders understand the scheme.

5. THE FARM WORKERS PERCEPTION OF THE EQUITY SHARING SCHEME

A survey, aiming to determine what the existing perceptions of the intended beneficiary farm workers are, regarding the envisage equity sharing scheme, was undertaken (Ngqangweni, 1996). Twelve key workers of different ranks were selected and interviewed. The senior workers (supervisors and foremen) were interviewed first and their statements were then verified with those workers lower down the ranks. Three main aspects with regard to the scheme were investigated:

- Understanding
- Interpretation and
- Expectation of the workers.

5.1 Understanding of the scheme

The workers interviewed were unanimous in their understanding of the scheme namely that they:

- Will be sharing the business and
- Will participate in decision-making.

Other interesting points that were mentioned by the Ebukhosini workers are:

- That they will contribute financially to the scheme – ploughing in money in order to realise long-term benefits.
- There will be no more bosses in the farm business only partners. Workers will be co-owners.
- Natural leaders within the workers group acted as liaison between the owner, other interested parties and the workers.
- Advisors are needed to secure the well being of the participants and to ensure the fairness of the deal.

5.2 Interpretation of the scheme

The majority of interviewed workers positively accepted the equity sharing scheme/idea. According to them the current owner has positive intentions. Workers also anchored their optimism in the fact that the owner has committed himself to the deal and that he will share in losses if it occurs.

5.3 Expectations and perceived potential benefits

The majority of interviewed workers indicated a positive and optimistic expectation of the scheme. They expect that the scheme will yield adequate financial resources to:

- Invest in a better quality education for their children.
- Address family obligation, such as taking care of unemployed family members.
- Build better houses
- Develop an agri-village where all basic facilities will be provided such as schools, clinics and recreational facilities.
- Open-up non-farming business that range from small shops to taxis.
- Afford luxuries such as owning a German model car.

5.4 Evaluation of workers perceptions

According to Ngqangweni (1996) an evaluation of the workers perceptions of the scheme revealed the following points of concern that need to be addressed:

- Uncertainty as a result of the length of time before benefits would realise.
- Workers participating in the scheme are not sufficiently equipped to fully understand the technicalities of the equity-sharing concept.
- There is still an element of scepticism.
- Workers are not business orientated – a long term training programme on farm business aspects is therefore needed.

5.5 Farm owner's expectation

According to the C & LMAS Report: Feasibility reviews for Kieviet farms/Worker's Trust (1995) and Kieviet (2000) the owner (Dr P. Kieviet) expressed the following expectations:

- Workers will benefit financially.
- There will be a mutual readiness to change by both sides.
- Mutual trust will exist.
- Good human relations will develop.
- Workers will own land and except the responsibilities for farm activities implemented.
- Better understanding of one another.
- A platform will be formed for further development.

6. THE EBUKHOSINI EQUITY SHARING SCHEME TODAY

Since the scheme came into operation in June 1996 a number of positive changes occur. Unfortunately, but to a certain extend predictable, a number of negative aspects or problem areas were experienced by all stakeholders. This has lead to some changes in the management and decision-making responsibilities of the stakeholders.

6.1 Positive aspects

The following positive aspects (Kieviet, 2001) crystallized from the scheme:

- Farm workers received ownership of 612 hectares of farmland.
- A good and positive relationship was formed between the previous owner and the workers.
- A positive spirit of co-operation exists.
- An atmosphere of tranquillity prevails on the farm.

- Both, previous owner and participating farm workers accepted the challenge, acknowledge shortcoming and wants to do something about it.
- A better understanding of one another has developed.

6.2 Negative aspects or problem areas

The following negative aspects or problem areas were experienced by the stakeholders (Kieviet, 2001).

6.2.1 *Ebukhosini Trust member viewpoint*

Trust members experienced the following problem areas that need to be addressed in future:

- Who is responsible for their training and after care (extension service)?
- They are uncertain on how to manage their own farming enterprise including marketing of products.
- Where will they get financial support for production purposes?
- How to motivate members in their community, who are for instance qualified teachers, to make their skills free of charge available to address the problem of illiteracy in the community.
- There are a number of hanger-on members, not really interested in the project – how do you get rid of them?

6.2.2 *Viewpoint of the previous owner*

According to the previous owner Dr Kieviet (2001) the following are disappointing aspects that was experienced by himself as stakeholder in the Scheme:

- The insufficiency of government departments to co-operate and to get involved and deliver an after care service to the project.
- Access to finance on the medium- and long-term is a problem.
- The high percentage of illiteracy amongst the beneficiaries.

- Lack of planning and financial skills amongst the farm worker group.
- Lack of vision amongst the Trust members.
- Lack of responsibility amongst Trust members
 - only 33% of Trust members are committed and hard working.
 - 33% are dragging along.
 - 33% do not participate and do not care at all.
- Tension and conflict between groups and/or families within the Trust prejudice co-operation and commitment.
- Trust members expected and demand that every one should receive the same salary irrespective the type of work being done.
- Families are still involved with traditional farm practices (subsistence farming) and did not adapt to commercial farm practices – they do not understand the concept of commercial farming.
- The farm worker group do not understand the realities of commercial farming as a business enterprise. They are not prepared to share production losses. (Severe losses occurred in the tomato production section because of low prices). They expected the previous owner to carry the losses. They only want to share in the profits.

These positive and problem areas have led to a change in the management of the total farming enterprise. In September 2000 the Ebukhosini Trust took over full responsibility for their own farm of 612 hectares and equipment. They appointed a farm manager and a manager to manage the finance and administration of the farm. They are now responsible to make their own decisions and to accept full responsibility for the activities (Kieviet, 2003).

The Farming Company is still supporting the Ebukhosini Trust with personnel administration.

Other positive development is that the Mpumalanga Department of Education is busy building a school on the Trust's premises. Of the initial 111 Trust members there are today only 80 participating in the farming activities. 28 members are specifically involved on the farm owned by the Trust. What is however important is that everyone of the initial 111 Trust members are still stakeholders. No one can take their shares away from them.

After Knight (2002) completed a detailed study of eight farm worker equity-share schemes in the Western Cape, he came to the conclusion that farm worker equity-share schemes may never satisfy everyone's view of land reform, but recent experience suggests that these schemes represent a viable mode for redistributing wealth and the de-racialising of commercial agriculture.

7. QUO VADIS? - RECOMMENDATIONS AND CONCLUSION

- Extensionists work with people. Their object of concern and object of intervention is the farmer, a human being. Extensionists should therefore acknowledge the fact that land reform as an activity or programme does have an effect on the behaviour of people (human beings) involved. Land reform contribute to the development of two serious but deep human feelings or emotions namely:-
 - expectations (including hope for the future) and
 - anxiety (including fear for the future)

Both emotions can be present in the same individual simultaneously. The one (farmer) "losing" a farm, because of land reform, the other (prospective farmer) gaining a farm, because of land reform. In many cases expectations on the one hand are totally unrealistic and on the other hand the emotion of threat is totally exaggerated. Nevertheless, what is important is that extensionists should acknowledge and address it.

- According to Kieviet (2003) there is no incentive for commercial farmers to engage themselves in land reform projects with their farm workers. Government should urgently investigate possible incentives to support and motivate farmers to involve themselves in land reform projects. Every one gets up in arms when you talk about subsidies to farmers. All over the world however farmers are being subsidised by their governments. Tax relieves, subsidising the interest rates of financial packages and subsidising training programmes could be investigated.
- Extension services in provinces need to identify all land reform projects in their demographic regions and if they have the capacity (skills and knowledge), get involved in delivering an extension service to the beneficiaries. If they do not have the capacity, the after care service to land reform beneficiaries should be outsourced.

- If extension staff does not have the skills and knowledge and outsourcing is impossible, training programmes need to be implemented to capacitate extension staff as a matter of urgency. In this respect PAETA (Primary Agricultural Education and Training Authority), the Institute for Agricultural Extension and other training institutions should take hands and co-ordinate training programmes and activities.
- According to Bosman (2002) the availability of a broad spectrum of services including financing, capacity building and after care is essential. Opperman (2003) agrees and say that you do not empower a person as a farmer by transferring a piece of agricultural land to him/her. After care services are essential.
- According to Kieviet (2001) and Raath (2003) experiences gained since 1994 indicates that the acceptance of a mentorship programme and appointment of a mentor for land reform beneficiaries is becoming a necessity. The mentorship programme and role of the mentor needs to be defined clearly. The mentor should not be seen as a teacher or trainer or boss or policeman. A special mutual trust and openness must exist between the mentor and the beneficiary.

The basic questions a mentor will ask are: “How can I help you to get where you want to be? What are your dreams, priorities and problems?”

The mentorship needs to include the following:

- Exchange of knowledge, skills and experience;
- Acceptance of mutual responsibilities; and
- Not being prescriptive.

Mentorship can and possible should become a life long process. If people wants to make themselves available as mentors they should recognise that it is something special. For extensionists and other role players this is a new challenge, to become in the true sense of the word, a mentor for a land reform beneficiary or group of beneficiaries. The development of a training programme for mentors of land reform beneficiaries needs urgent attention.

- A prerequisite for a land reform project-scheme is the development of a well-considered and verified business plan including the economic viability of the farming enterprise.

- In the Strategic Plan for South African Agriculture (2002) it is clearly indicated that one of the key initiatives in land reform will be the identification of “new” farmers from the historically disadvantage groups. A farm does not make you a farmer, but if the right person has been identified, the commitment will be there and only then can the process start to support this committed individual or group on the road to become a successful farmer. According to Raath (2003) a clear distinction should be made between a person who is only interested in a place to stay and a person who wants to become a farmer, producing food and fibre for South Africa and a hunger Africa. The challenge will be to test existing instruments to identify prospective farmers and/or develop a reliable instrument.

It is time to turn the page on failures, as there are successes as well.

Committed and qualified extensionists can make the difference in land reform – helping people “making their own miracle”. The challenge is there – Carpe Diem!

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