WORKING PAPER 24

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Land and Agriculture Policy Centre

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LAND REFORM RESEARCH PHASE ONE

PROVINCIAL SYNTHESIS REPORT FREE STATE PROVINCE

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Contents

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1. INTRODUCTION

1.1. Methodology

The research for the Free State Land and Agricultural Policy Centre (LAPC) Land Reform Research Programme was undertaken by three consortiums of researchers in late 1994 and early 1995. The study aimed to establish the nature and scope of demand for land and to place this in the context of a set of supply side constraints and possibilities which are given by the agronomic, geographical, socio-demographic and economic character of the province.

The supply side study was undertaken by a team of researchers headed by Mr. P.J. Potgieter[1] of the University of the Orange Free State (UOFS) Department of Agricultural Economics. The purpose of this study was to provide a data-base of information describing various aspects of the provincial economy, natural resource base and socio-demographic profile.

Establishing a characterisation of the demand for land in the Free State was the aim of two separate district studies undertaken in the province. For the purposes of the research a district was chosen to contain a diversity of regimes of land occupation and land use, both urban and rural. The research method was both quantitative and qualitative. A structured quantitative questionnaire was administered to groups identified as potential beneficiaries of land reform, and Participatory Rural Appraisal (PRA), Ziel Orientetierte Project Planung (ZOPP) and community workshops were held with interested parties in the two districts. Research was conducted with individuals and communities in the peripheries of small and larger towns and in their respective townships, on commercial farms, in ex-homeland areas, on freehold land, and on state and trust land. The target groups of the research included a variety of marginalised categories of people including farmworkers, ex-farmworkers, shack dwellers, township residents, victims of forced removals, alienated emergent farmers, and communal farmers.

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[1] Other members of the research team were Dr. Skip Krige of the Department of Geography, UOFS; Mr Tlaan Pretorius of the Centre for Development Support, UOFS; Mr P. le Roux of the Department of Soil Science, UOFS; Dr. J.J. van Biljon of the Department of Agronomy, UOFS; and Prof. C. van der Ryst of the Department of Agricultural Engineering, UOFS.

The first district study was carried out in an area broadly demarcated as the Southern Free State and was headed by Mr. Philemon Tsese of the Orange Free State Rural Committee (OFSRUC)[2]. The core area embraced by the study may be defined as parts of the magisterial districts Botshabelo, Dewetsdorp, Tweespruit, Thaba Nchu, Excelsior and Ladybrand. The second district study was undertaken in an area broadly demarcated as the Northern Free State and was headed by Mr. Christo Heunis of the Sociology Department, UOFS[3]. The core area of study was to the north of Bloemfontein including Qwaqwa and Harrismith in the east, and Kroonstad and Viljoenskroon in the west.

This report, based as it is on the research, contains a mix of empirical data and data which emerged from the perceptions of the various people involved in the study. This is both a strength and a weakness of the report. It is a weakness for those who wish to formulate policy around irrefutable, hard 'truths', which characterise demand for land in the Free State, within a set of 'factual' constraints. On the other hand, the research set out to establish how people characterised themselves in relation to land reform and, in general terms, this was a success. The research should be seen as a starting point for further involvement of communities as they hone their points of view and perceptual definitions of land reform as it relates to themselves.

The material relating to demand reflects as accurately as possible the perceptions and feelings of the researched individuals and, in some cases but certainly not all, these individual perceptions reflect the views of the social groupings which the research was chosen to represent. To establish the extent to which the expressed perceptions are those of individuals as opposed to the views of larger social groups should be the aim of further research. With the aim of furthering this process, a provincial workshop will be held in June 1995 involving all those who participated in the research, experts in the field and policy makers.

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[2] Other members of the research team were Ntshane Moroka and Mabatho Sehlabo, both of OFSRUC. Colin Murray (University of Liverpool) supported the research process and conducted parallel research. Heidi Attwood (DRA), Laura Bedford (DRA), Linda Waldman (University of Witwatersrand) and Simon Gill (Sechaba Consultants, Lesotho) contributed to the writing up of the report.

[3] Other members of the research team were Maryna de Wet and Lucius Botes of the Sociology Department UOFS, and research assistant Olvin Chakela.

The demand side data should not be taken to be representative of the Free State as a whole: the geographical spread and the scope of the research was limited. Moreover, communities cannot be seen as 'generic' examples of demand as it relates to categories of people. Not only are communities internally stratified, but they differ widely from each other even within generalised categories. Nevertheless, it is the marked differences between communities and within communities which this report will seek to highlight in addition to distilling out clearly common points of view where these exist.

1.2. Defining Land Reform in the Current South African Context

Issues which emerge from the broader debate around land reform centre on how one conceives or defines land reform. To the extent that land reform is a 'reform', and not a radical restructuring, debates centre on the scope of this reform. In the broadest sense, land reform comprises the initiation of a series of processes which seek to redress historical imbalances with regard to land ownership, land use, and the institutions which support the use to which land is put.

It is generally accepted that the initiation of the processes of land reform will be the responsibility of a combination of public and private sector actors and will involve the full participation of the potential beneficiaries of land reform themselves. The extent of responsibility and the scope of involvement of each of these actors is at issue. It is, nevertheless, in line with the current government policy of Reconstruction and Development that land reform will be a people-driven process: it will be a reform from below, and not from above.

There are a number of goals of land reform, but given the limited potential to adequately address each of these (at least in the short term), it will be necessary to prioritise them. The various weights attached to each of these core goals is the genesis of a great deal of debate. Amongst other objectives, land reform will seek to alleviate the worst suffering of the marginalised; create a viable commercial agricultural sector in line with the national goal of economic efficiency; rejuvenate the rural economy; provide food security; right the wrongs of the past; create strong government and institutions; uplift the position of women; and provide political stability. Any balanced land reform process will necessarily come to terms with the interdependency of these broad objectives and there is general agreement

that the sustainability of land reform pivots around core ecological, economic, social and political issues. At the same time, the prioritisation and characterisation of the interrelationships between these central sustainability issues is at the centre of the land reform debate.

Sustainability issues are frequently crystallised into questions around who the target 'beneficiaries' of land reform should be. One of the most central debates posed by the possibility of land reform in South Africa is the question of the extent to which land reform should be 'social merit' or 'social justice' driven. While it is clearly the case that the resources do not exist in South Africa to take a welfarist attitude towards land reform, the tendency has been to see land reform as a process of supporting various groups of 'beneficiaries' while they are finding ways to articulate helping themselves. At the same time, the extent, scope and characterisation of the state's role in this process needs to be defined. Policy will necessarily entail a formulation of the state's role.

It is widely accepted, on the one hand, that if land reform is to succeed in the long term it needs to create a viable economic base from which to perpetuate itself. Consequently, there is a strong imperative to focus on those who are most likely to succeed in entering into the formerly forbidden territory of the formal South African economy - as farmers or other kinds of entrepreneurs. On the other hand, it is recognised that this 'trickle down' process is likely to affect only a very small number of individuals either directly or indirectly.

The place of land reform among various other priorities in post-Apartheid South Africa needs to be made clear. The scope of land reform is dependent upon other policy arenas relating to conservation, water, housing and, of course, agriculture. Indeed it is frequently argued that other issues are perhaps more central to land reform than land itself. In most cases, agricultural issues are seen to impact most heavily on land reform possibilities. While reforming the structures and institutions which support agriculture is essential, this process is no more central than reforming the basic institutional and infrastructural conditions which support meaningful and dignified life. Given limited national resources, some difficult choices may have to be made in terms of prioritising and addressing various urgent socio-economic needs.

2. HISTORICAL PRECEDENTS AND LESSONS

2.1. Introduction

History not only informs current policy, it is the background against which land reform in South Africa is currently desirable. The history of South Africa holds a number of keys to the successful implementation of land reform, while at the same time it sounds out warning bells for those engaged in formulating policy. First, there are lessons to be learnt from past state initiatives to settle commercial farmers in the countryside. Current settlement policy will necessarily refer to these experiences. Second, a contemporary status quo in which significant amounts of black-owned land are leased to white farmers who are relatively well-endowed with capital resources - despite a demonstrable land hunger amongst black people - raises a number of difficult questions regarding the context of land ownership within modern sharecropping arrangements. It also reflects the mutability and flexibility of sharecropping under changing circumstances and over a very long period of time.

Third, the history of top-down rural development including 'betterment' and 'rehabilitation' begs questions around pressure on scarce natural resources and the conservation of these resources. It also demonstrates that land reform has the potential to create conflict between 'haves' and 'have-nots'. It is this potential for conflict which warns against top-down rural development or purely nominal 'participation' of communities in land reform implementation. Fourth, the functional relationship between urban and rural areas in South Africa has been distorted by the histories of 'homeland' development and 'industrial decentralisation'. The massive influx of black people into urban and peri-urban areas since the scrapping of Influx Control in 1986 testifies to the socio-economic distortions which have artificially kept vast numbers of people in the countryside. While there is an imperative to improve the prospects of rural livelihoods, the re-balancing of the functional relationship between urban and rural areas is a key to land reform in South Africa.

Fifth, the crisis is in commercial agriculture has its basis, at least in part, in past state policy which sought to float agricultural 'modernisation' in the wake of Apartheid planning. The history of state intervention in the economy for social and political ends poses a series of questions, and warns of the dangers, associated with the economic impact of land reform

initiatives which will again engage the state directly in the agricultural and economic arenas for reasons which fall outside of the strict economic imperative. Sixth, the role of local government - and the current lack of effective in local government structures in the countryside is highlighted.

Finally, cases for restitution which have their history in the rationalisation process of Apartheid geography, including 'black spot' removal, and the consolidation of homelands areas, need to be seen in the context of a social justice driven land reform. Each case is unique in its tragedy, and each will require a solution which reflects its uniqueness. It is understood that more than 3000 claims have already been lodged and that the volume of work required to deal with these claims will slow down the restitution process. Nevertheless, every effort must be made to streamline the procedures. While restitution is a critical and highly emotive component of land reform in South Africa, it needs to be integrated into the more overarching issues associated with redistribution.

2.2 Land Settlement: A Precedent for State Assistance

There is a long history in South Africa during which the state has actively intervened from time to time to assist the settlement of farmers. In the Free State, farmers of 'British stock' were settled after the South African War (1899-1902) in an effort by Lord Milner to "dilute the Dutch influence in the countryside" and 'poor whites' were the beneficiaries of state-led land settlement after the Second World War.

The state is again faced with the possibility of settling new farmers: in South Africa today, however, the imperative is to reverse the process of systematic dispossession of black landholders in what became the 'white' commercial farming areas. The case of Milner's settlement scheme, partially successful as it was, provides some measure of the scale of the modern challenge in respect of the settlement of black farmers in the post-Apartheid era.

Milner's settlement demonstrates that for settlement to be successful, the first requirement is a political environment that is sympathetic - or at least not directly hostile - to the process. Where there is opposition to the broad objectives, physical concentration of new settlers may be necessary. The second requirement is adequate capital and other resources, at both

the macro and the micro levels. The third factor is a consistent, well organised state support in respect of carefully constructed and sustainable financial supports[4] . Further assistance must include access to services associated with vertical integration of agricultural commodities, and access to appropriate markets and other competent and accountable support services.

The fourth is individual commitment and enterprise on the part of aspirant farmers themselves. With regard to the fourth requirement, the criteria by which aspirant farmers were judged by Milner's Land Settlement Board are recognisable as those which have again emerged as the criteria for the allocation of state land to aspirant black farmers. This is demonstrated in the controversial case of settlement on state land in Botshabelo.

2.3 Sharecropping

After the Sotho-Boer war of 1865-8, blacks were deprived of direct access to a swathe of fertile arable land which runs along the current eastern border of the Free State with Lesotho. In the latter part of the nineteenth century, the whole of this terrain became subject to white ownership and settlement, backed by the administrative and judicial machinery and, ultimately the military force, of the white supremacist republic of the Orange Free State.

On the one hand, the Basotho, dispossessed of direct entitlement to this land , occupied it and farmed it, but were forced over the following decades to come to terms with the fact of white ownership of it. On the other hand, the land's white owners were able to secure their land titles but they did not command the capital resources necessary to work it. From these circumstances emerged the sharecropping contract. Sharecropping relationships flourished , and indeed predominated, in the last decade of the nineteenth century and, in some areas, through several decades of the twentieth century, despite the nominal prohibition of sharecropping by the notorious Land Act of 1913. Nevertheless, from about 1908 onwards, the gathering tide of state support for the capitalisation of white commercial farmers subverted the bargaining power of the independent black sharecropping peasantry and sharecropping gradually gave way to labour tenancy.

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[4] The extent and type of financial supports which the state should provide to emergent farmers is the subject of a current investigation into rural financing. There is a general acceptance that the support which white farmers have received from the state in the past is not only inappropriate in the present era, but also unsustainable. The whole structure of rural financing will need to be reformed.

In recent decades, sharecropping arrangements have emerged in Thaba Nchu in the reverse: black landowners without access to capital resources have contracted with neighbouring white farmers with spare tractor capacity to work their land. The crop is divided between them. Current 'sharecropping' arrangements are not only inimical to the spirit of the Reconstruction and Development Programme, but they indicate that land ownership will need to be embedded in a strong, accountable institutional support framework if it is to serve to empower black landowners.

2.4 Top-Down Rural Development

The failure of top-down rural development initiatives is exemplified by the historical process of 'betterment' which was carried out in the tribal and trust areas of the Free State, ostensibly in the interests of conserving the *veld*, in the period between 1930's and the 1960's. According to the dominant philosophy, stock limitation was a fundamental condition of rehabilitation of the overcrowded reserves. Human settlement of the trust areas was predicated on the notion of 'carrying capacity' of the associated land. While the trust regime was motivated by the real need to rehabilitate overcrowded and over-grazed land in the black 'reserves', the foundation on which this was done was flawed. The assumption was that blacks were 'bad farmers' whereas it was obvious to 'reserve' inhabitants that they desperately needed more land. The implementation of the trust regime provoked widespread resentment and resistance.

In black 'reserves' in the (old) Thaba Nchu magisterial district, new land bought by the South African Development Trust (SADT) in the late 1930's was subject to rigid planning, involving cutting of land and culling of livestock in respect of arable and grazing land. Twenty-eight percent of large stock units on Trust administered land were slaughtered leaving many families in dire straights. A situation was reached where the new Trust villages could not accommodate the overflow of residents which had emerged from the strict planning measures.

The people directly affected by the policy of 'betterment' had no responsibility for the decisions that were made or how they were implemented: instead they were prosecuted for their opposition. The aim of 'betterment' was never realised, and nowhere did it succeed

in reducing overall livestock numbers to conform with the estimated carrying capacity of one beast unit per eight morgen[5].

The Tomlinson Commission of 1956 marked a formal shift away from 'betterment' planning and the presumption of a uniformly inadequate resource base for all, towards an explicit division of the rural population into a category of full-time farmers, who would work 'economic units' of land, and a category of landless people who gained their livelihoods by other means. There were a series of flawed assumptions associated with the new policy. Firstly, the annual income inscribed in the concept of 'economic unit' was fixed at half that recommended by the Tomlinson Commission. Moreover, the artificial division of people into 'farming' and 'non-farming' assumed no relationship through time between income derived from land and livestock and income derived from employment other 'non-farm' activities. Nonetheless, it is clear from the experience of successful farmers in the former homelands that the capacity to invest in farming and to succeed as a farmer is dependent on outside capital income.

In more recent years, the homelands areas have been subject to the tight political repression of the homeland administrations. The more recent interventions by Agricor and Agriqwa[6] in the interests of 'developing' black farming in the Free State have also met with only limited success. In part, this is because the reality of an inadequate resource base - in terms of land, capital and other supports - was never a point of departure. Instead, the implementation of 'economic units' and 'conservation' again formed the basis of 'developmentalist' interventions.

2.5 Controlled Urbanisation and Ethnic Nationalism

National policies to restrict the influx of black people to the so-called 'white' urban areas have been enthusiastically applied in the Free State since the birth of urban settlements. Apartheid planning, in particular, had a significant influence on the spatial distribution of blacks in the province, especially between 1970 and 1985. The objective was to redirect the flow of blacks to the homeland areas on the periphery of the provincial spatial economy: Thaba Nchu, Qwaqwa and since 1979, Botshabelo. The ex-homeland areas were historically

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[5] One morgen is equal to about two acres, or 0.81 hectares.

[6] Qwaqwa Agricultural Development Corporation.

the catchment for surplus blacks in 'white' urban areas and the majority of people residing in these areas came from farms in the 'ex-white' Free State. In line with the policy of creating 'independent homelands' on the basis of ethnic nationalism, Qwaqwa, and later Botshabelo, were the catchments for Basotho people, while Bophuthatswana (Thaba Nchu) was a 'homeland' for Tswana speakers.

Qwaqwa is situated in the north eastern Free State, on the Free State, KwaZulu-Natal and Lesotho border. It has been described as a 'peri-urban slum in the middle of nowhere'. Qwaqwa (65 514 hectares), consists of two districts, namely Witsieshoek (50 172 hectares) and a portion of the Harrismith area (15 3442 hectares). The Harrismith area comprises mainly grazing, and to a lesser extent, arable land. In comparison, the Witsieshoek area comprises relatively little agrarian activity despite its appearance of being constituted of grazing land. In fact, a large part of Qwaqwa is either steep mountainous terrain or consists of small units of agricultural land nestled among houses and settlements in the rural areas.

The relocation of families into Qwaqwa occurred in two phases. The first phase ran from 1967-1972 and was characterised by a pseudo-voluntary move by people who saw better prospects in an area where they would be able to farm. These people initially had access to substantial rural resources. The second phase followed in the wake of agricultural mechanisation and increasing redundancy of farmworkers on surrounding farms. By the early 1970's there were no remaining plots available in Qwaqwa and the homeland administration insisted that farm families sell their livestock before entering the 'homeland'. Many people are today crammed onto residential-sized plots in sprawling shack settlements with neither farmland nor cattle.

In line with the Apartheid policy of preventing uncontrolled influx of people into the 'white' urban areas of South Africa, and in a bid to prop up the policy of creating urban 'insiders' and rural 'outsiders' promulgated throughout the 1970's and 1980's, industrial decentralisations became a focus of Apartheid social engineering in this period. Large subsidies were paid to industries to relocate to various decentralisation points throughout South Africa. While these areas frequently fall outside of the ex-homelands, they often fell under administrative control of these areas and were geographically located on their borders. The histories of Botshabelo and Tshiame are cases in point.

In the mid-1980's Tshiame became the target of the Industriqwa[7] decentralisation initiative. Concessions were paid to industries locating there until April 1991. Until February 1995, the development of Tshiame was conducted by the Highlands Development Corporation (formerly the Qwaqwa Development Corporation) which was responsible for various aspects of development in the former Qwaqwa homeland. It was indirectly state-led through the Development Bank of Southern Africa.

Currently approximately 20 000 people reside in Tshiame: 8000 in Tshiame A which is a middle class residential area, and 12 000 in Tshiame B which is a lower class residential area with housing provision mainly intended for labourers in the nearby Industriqwa. While Tshiame A serves as a showcase of Apartheid development projects, Tshiame B is characterised by high unemployment and low social indicators. It has become a point of concentration for a number of ex-farmworkers.

Botshabelo, established on the open veld in 1979, was the product of both industrial decentralisation initiatives and the vicious politics of ethnic nationalism which decreed that Bophuthatswana was a Tswana homeland and campaigned to remove Sesotho speaking people beyond its boundaries. It was proposed that Botshabelo be incorporated under the Qwaqwa administration in due course. The rapid influx of Basotho people from Thaba Nchu into Botshabelo was supplemented by the arrival of people from 'white' towns and farms throughout the province in the early 1980's. Botshabelo was one of the fastest growing urban areas in the early 1980's, with an annual growth rate exceeding thirty percent.

In the mid-1980's Botshabelo was adopted as the prime site of experiment for modernisers within the state who were committed to technocratic reform of Apartheid 'from above'. While constituting the core development area in the Free State, Botshabelo was supposed to be incorporated into Qwaqwa in an a attempt to cajole Qwaqwa into accepting independence in line with Grand Apartheid strategy. In fact, Botshabelo was incorporated into Qwaqwa in late 1987, provoking waves of local protest and a legal challenge to the validity of this action. In August 1988 the Bloemfontein Supreme Court ruled against the incorporation and this was upheld by the Appellate Division in 1990.

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[7] Qwaqwa Industrial Development Corporation.

Today Botshabelo stands as a legacy of Apartheid social engineering. Its capacity to accommodate more people has long since been reached and it is a massive concentration of the poor and the unemployed. In 1989, the SADT bought 12 000 hectares of land lying to the west and south of Botshabelo, with the aim of attaching it to Botshabelo in order to transfer political responsibility of Botshabelo to Qwaqwa. This transfer of administrative authority never materialised in practice. Like other past legacies, this state land is now a centre of controversy.

2.6 Crisis in Commercial Agriculture

Commercial farmers in the Free State were propped up through various state policies, subsidies and credit by the Nationalist Party government until the mid-1980's. Amongst other factors, this led to gross distortions in the agricultural economy of the Free State, including the uneconomic farming of marginal lands, over-mechanisation and the support of inefficient and non-viable farms. The gradual withdrawal of this support over the past decade has left many farmers in a state of severe overcapitalisation and indebtedness. While the current crisis in commercial agriculture is based, at least in part, upon a history of irresponsible state policy, in the short term the crisis came to a head as a result of attempts to rationalise the process.

The fiscal problems commercial farmers currently face include a shift from negative to positive real interest rates, with the cost of Land Bank Loans approaching commercial rates of interest; a collapse in the Rand against major world currencies; a fiscal squeeze on the forms and the extent of subsidies available to farmers from the South African state. The amount of long term Land Bank arrears for the Free State as a whole almost doubled between 1983 and 1992. The cost of inputs rose dramatically over this period in relation to real farm incomes. The price of land relative to capital inputs also dropped dramatically in the 1990's. Recurrent drought has compounded these problems and has led many farmers to cease farming activities. Theft, and the plundering of farms - particularly farms bordering Lesotho and urban areas - has caused others to leave their land fallow or to sell their farms.

A significant consequence of rationalisation of the agricultural economy in the Free State has been diversification of farming operations and a trend away from the cultivation of marginal arable lands into less capital and labour intensive pastoral operations. In addition

to this process, the high level of mechanisation on Free State farms, general economic decline in South Africa (including a decline in both commercial agriculture and mining), and general population increase, has led to an escalation of structural unemployment in the farmworker sector over the past two decades. Shack peripheries have mushroomed around small towns and larger urban centres in the Free State. The influx of rural people into towns and cities was spurred on by the scrapping of Influx Control in 1986.

2.7 Institutional Incoherence

In the early 1980's, Regional Services Councils (RSC's) were established which were responsible for the distribution of local services in the nine Development Regions identified by the Botha government. All communities were to be represented on them in proportion to their consumption of services provided. Problems emerged immediately. First, a special guarantee of state support had to be made after the Bloemfontein municipality anticipated that Botshabelo would entirely exhaust the resources of the Bloem RSC. Second, the jurisdiction of the RSC's conflicted with and were opposed by the administrative authorities of the 'homelands'. Third, in the aftermath of the repeal of the 'pass laws' in 1986, citizens of Bophuthatswana were precluded as 'aliens' from a right of access to jobs and housing in 'South Africa'. If they applied for new South African Identity Documents they were threatened with forfeiture of residence and citizenship of Bophuthatswana. Fourth, Botshabelo was pushed into the political embrace of Qwaqwa despite the impulse of reform towards a common administrative system and the rationalisation this entailed.

The legacy of institutional conflict and incoherence has had obvious repercussions in the period following the first general election in South Africa in 1994. The absence of effective structures of local government, except in the white municipalities, poses fundamental questions which have not yet been resolved regarding the administration of revenues in urban centres such as Botshabelo, in small towns, and in rural hinterlands.

2.8 Cases for Restitution

2.8.1 Marabastad

The history of Marabastad, near Kroonstad's Maokeng township, is similar to that of Bethane in Bloemfontein and the old township of Khotsong in Bothaville - it is the 'Sophiatown' or 'District Six' of the Free State. Marabastad dates back to the mid-nineteenth century when the first people settled there in a 'location' on the edge of a white town. As Kroonstad expanded westwards towards Marabastad, inhabitants of the nearby white suburb began to complain about the 'location on their doorstep'. There are indications that removals from Marabastad to Maokeng started as early as 1954 and, in due course, the eastern part of Marabastad was demolished. The southern part was sold to the erstwhile South African Railways with the intention of developing industry there.

In the western parts of Marabastad some people have remained to the present day. Of the initial village, 650 stands remain with approximately 5000 residents. Marabastad is today a no-man's land: it is not considered to be part of Maokeng and no-one is responsible for the delivery and upgrading of services to this area. There are no proper roads or streets and necessary basic services do not exist with the exception of a few old water taps. There are no crèches, schools or clinics, and no public transport is able to enter the area. There is no electricity and no street lighting, and residents, who are mainly elderly, fall prey to criminals at night.

While no titles were ever officially held by the original inhabitants of Marabastad, they had been residents there for many decades and a demand for land restitution was made at the Land Reform Research Programme Workshop held in Maokeng in 1995. None has been officially lodged, however. The community argues that compensation should be paid to those who had their homes in Marabastad destroyed. Moreover, many former residents of Marabastad now living in Gelukwarts and Constantia wish to return to Marabastad as they still identify with their origins. While some are presently renting out their stands, others allow relatives to use them. People who originally had land in Marabastad are considered by the community as the bona fide owners of these homes and land.

2.8.2 Thaba Phatshwa

The case for restitution stems from the formal 'black spot' expropriation of one portion of the farm, Sweet Home, in the late 1970's from the estate of George Letshapa Masisi. Two other portions (Segogoane's Valley and Tshiamelo) were bought by the government from the estate of a white farmer who had bought them in 1974 from Blanche Dinane Tsimatsima and three heirs of her late husband. Tsimatsima had repeatedly been threatened by officials that the same fate would befall these portions as they had Masisi's, if she and her husband's heirs did not sell the farms to whites. The land was sold although there had never been any intention of selling this land outside the family.

The other three portions of the original Thaba Phatshwa had been bought by the South African Native Trust in the late 1930's and early 1940's and occupied by a community of Afrikaans speaking 'coloured' people since 1941. The three portions purchased in the 1970's were added to this reserve. The village and the surrounding farmland of Thaba Phatshwa were administered by the Department of Coloured Affairs until its abolition in April 1994 after which time the responsibility for Thaba Phatshwa fell to Township Development within the provincial government of the Free State. Today, Thaba Phatshwa is a village of 141 households and 648 people who are classified as 'coloured' and speak Afrikaans.

In 1993, Kabelo Tsimatsima, acting on behalf of the dispossessed owners, made a claim for restitution to the Commission on Land Allocation. If granted, this claim would subvert the conflicting claim of the people of Thaba Phatshwa village who have been established there since 1941. The current residents of Thaba Phatshwa are themselves people with a long history of relocation, having been caught in the middle of the Basotho-Boer wars of the mid-nineteenth century and who were accommodated uncomfortably in the Sediba reserve for the first four decades of the twentieth century. The solution to this case is not clear cut and would presumably require part-compensation of the dispossessed owners.

2.8.3 Herschel Refugees

Living in tents and shacks on the southern extremity of Botshabelo in Section N is a small group of Sesotho speaking families who consider themselves refugees and who have refused permanent accommodation in Botshabelo. They are the remnant of a much larger

group of people who left the Herschel district on the south-western border of Lesotho in the early 1980's under harassment and pressure from the Transkei's Matanzima regime. This followed the incorporation of their land into the Transkei in 1976. Before coming to Botshabelo. they travelled from Herschel to Zastron, then Phuthaditjhaba (Qwaqwa) and finally to Botshabelo. Since the early 1980's the community has sought compensation for their land relinquished in Herschel. They insist on the recovery of their livelihood as a farming community, but have repeatedly fallen victim to the disclaiming of political responsibility on the part of the former authorities of the Transkei, South Africa and Qwaqwa. It is time that someone claimed responsibility to alleviate the plight of these people.

3. DEMAND

3.1. Introduction

The Free State has the third largest surface area of all provinces, while the ex-homeland areas (Thaba Nchu, Qwaqwa and Botshabelo) comprise only slightly less than two percent of the provincial territory compared to thirteen percent on a national level. The Free State population of 2.7 million people is the second lowest in South Africa. The population density is estimated to be 21 per km². Moreover, the annual population growth rate was 1.71 percent between 1980 and 1991 compared to a national average of 2.44 percent, and since 1991 has dropped to 1.62 percent per annum[8]. At the same time, about 22 percent of the Free State population live in the ex-homeland areas where the population density is estimated to be 239 per km². By the end of the 1980's, the population density of the Witsieshoek area of Qwaqwa was a staggering 1000 per km². Yet, the Free State as a whole has the highest area per capita of potentially arable land of all the provinces in South Africa and is the second least densely populated province in South Africa[9]. Approximately 36 percent of the Free State farmland is arable, while 62 percent may be regarded as grazing land. A relatively small percentage of the land is set aside for conservation purposes compared to other provinces.

The dual nature of the South African agriculture is reflected in the division of the agrarian economy of the Free State into a 'white' commercial farming area including 'white' towns and their adjacent townships (both formal and informal), and 'black' ex-homeland areas. The process of land reform is obliged by historical realities to reflect this current *de facto* duality in terms of redistribution processes. The number of people in the Free State without access to the resources necessary for a dignified life is staggering. It has been estimated that there would be at least one million potential direct primary beneficiaries of land reform in the province if this category is defined as the total number of people living in the ex-homeland rural villages and peri-urban settlements, and urban residents who are very poor.

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[8] This is in part a result of a decrease in migrants from outside the Free State.

[9] The Northern Cape is the least densely populated province in South Africa.

There is an extreme and worsening condition of poverty throughout the Free State. The average income of black people is more or less equal to the minimum subsistence wage, while approximately forty percent of blacks in the Free State indicated that they received no income in 1991. A typical black household spends 85 percent of its income on essential goods and in the southern Free State 45 percent of all income is spent on food. The housing shortage in the Free State is currently estimated to be 250 000 units, and the percentage of home-owners amongst blacks and especially coloured people in the Free State is significantly lower than the national average. Of the 669 633 homes which exist, 23 percent can be regarded as shacks. Health services in the Free State are grossly inadequate and tuberculosis and sexually transmitted diseased (STD's) including AIDS are significant drains on the human resource of the province.

Women in South Africa have been particularly disadvantaged by history. The current status of women in the rural areas should be addressed head-on by land reform policies. In the FreeState, approximately thirty percent of all heads of households are women, and 72 percent of pensioners are women, many of whom are in the rural areas. This can mainly be attributed to migrancy. Women have traditionally played a very important part in the cultivation of land, and they have a substantial role to play in future small-scale farming and gardening activities. In the past, women's access to land in the homeland areas was limited to widows who were allowed to inherit no more than three morgen after their husband's death. Since the 1990's women have been able to access land on the same basis as men. Unmarried women now have official access to land in the trust areas.

Still, while land is often a source of livelihood and security for people, access to land in itself does not imply improved rural livelihoods. Throughout the research, land demand and agricultural support was contextualised within other, frequently more burning needs expressed by communities. Land for residential purposes and security of tenure are general demands as are adequate health facilities, electricity, better transport and improved roads, water for domestic purposes, better educational facilities, secure residences and employment.

Apart from reforming the institutions upon which agrarian, rural, and urban economies and local governments are based, land reform programs will be directed to assisting various categories of South Africans. The research was focused on the demand for land amongst various categories of people identified as potential beneficiaries. These include farmers, farmworkers and ex-farmworkers; black commercial farmers and aspirant emergent

farmers; residents of state and trust land in the ex-homeland areas and in other areas of the Free State; residents of peri-urban and urban environments; and restitution claimants.

3.2 Emergent Commercial Farmers

3.2.1 Introduction

In the Ladybrand area and in Tshiame, a peri-urban settlement about ten kilometres from Harrismith, research was conducted with black commercial farmers. Both case studies describe the demand for land and the infrastructure and institutions associated with farming expressed by black commercial farmers outside of the former homeland areas. They highlight the extent to which black farmers with capital resources may be able to penetrate the formerly 'white' South African land and agricultural markets, and the extent to which small black commercial farmers are constrained by lack of access to capital and other agricultural supports.

It is estimated that there are approximately 200 private commercial farmers in the former homelands. A case study of freehold land in Thaba Nchu was undertaken in order to characterise commercial farming operations in the former homelands. There is 18 491 hectares of private farmland in Thaba Nchu consisting of 68 private commercial farms ranging in size from 300 and 600 hectares.

3.2.2 The Role of the State

The emergence of a viable black commercial farming class in South Africa will involve two processes. The one is a process of state supported evolution, and the other is one of state supported intervention. On the one hand, there are a number of aspirant black farmers in the Free State who are in a position to enter the land and agricultural market spontaneously, to buy land from white farmers, and become farmers in their own right. They will, nevertheless, require state assistance in order to gain access to previously barred institutions and infrastructure. It has been legally possible for blacks to purchase land in the formerly white rural areas of South Africa since 1991, but their ability to do so in practice is subject to the very great constraint of access to sufficient capital.

On the other hand, the state is expected to actively engage in settling a number of black commercial farmers on state and indebted land. It has been estimated that the possibility exists of settling about fifty potentially viable commercial farmers on state or indebted land in a fairly short period of time. Furthermore, it may be possible to acquire high to medium potential mixed livestock / crop land to settle about eighty farmers per annum in the eastern and northern areas of the Free State. It is also possible that more white commercial farmers will end up in financial difficulties in the near future, releasing more land onto the market and increasing the amount of land available for settlement.

3.2.3 Land Ownership

In general, aspirant black farmers with the resources to buy land on the open market are businessmen whose enterprises have been built up over the years on a large scale. They usually have an urban base and diverse interests, often concentrated in the transport and retail sectors. They have access to commercial credit but some choose, very deliberately, to avoid incurring debt. Even in these circumstances, it is a struggle to find sufficient capital to invest in heavy machinery and crop production.

The research established that the overwhelming demand was for title to land: people are prepared to use credit to buy land, but not to rent land. Black farmers who are leasing land expressed the need for ownership of the land which they are presently renting in order to obtain security for the financing of land improvements necessary to increase production on their farms. Nevertheless, while title is demanded for ploughing land and residential land, there is a general, but not total, agreement that grazing land should remain a communal resource. Farmers leasing land noted that input costs are high while their profit margin is low. Marketing was a severe constraint for some. Farmers felt that if land was to go on the market it would be essential to provide bridging finance and loans to beginner farmers. Moreover, if small farmers were to be established, more water would be needed for irrigation purposes: water reform and land reform need to go hand in hand.

Aspirant commercial farmers who lack title to the land they are farming see title to land as a panacea to most of their current difficulties. Creditors argue, however, that whether the landholder has title or long-term leasehold in no way determines credit worthiness (which is determined by many other factors) and that title to land per se is only important to the extent that one can mortgage the land in order to purchase land in the first place. It is argued

that no farmer should use land as collateral against running cost. Rather, such costs should be guaranteed through crops or other assets. Nevertheless, emergent farmers argue that as a result of not having title, they are unable to farm to their full potential. This perception may be rooted in the fact that many black commercial farmers, particularly, but not exclusively, in the former homelands, have been required to access credit exclusively through homeland administration institutions (e.g. Agribank).

Certainly, where title to land is held, this land is often left idle, under-used and underdeveloped. In Thaba Nchu, private land ownership has been important, not as a potential point of departure for successful farming, but as a source of financial liquidity through the landowners' capacity to borrow money against the security of their titles. This has led to escalating mortgage indebtedness and, for many, the ultimate dispossession of their freehold titles. Nevertheless, it has allowed landowners to consolidate links with urban areas through their children who, consequent upon good educations, have been able to penetrate bureaucratic and other urban oriented careers. Very few of the children of freehold landowners in Thaba Nchu (either past or present) are farmers, and very few are resident on their farms.

3.2.4 'Profile'

According to Agriqwa[10], it is best that emergent commercial farmers or family members have some sort of off-farm employment to cover living expenses As well as eagerness to farm and a willingness to learn, the successful emerging commercial farmer should have a technical knowledge of farming. Moreover, either the farmer or a family member should be literate. The potential commercial farmer is a relatively well off individual: if the farmer is planning to lease the farm, he or she should have between R20 000 and R30 000 cash to invest in farming and should own between twenty and thirty head of cattle. If the farmer intends to buy the farm, more start-up capital will be required.

Apart from this, Agriqwa's profile of a potentially successful small commercial farmer implies that the farmer should also have a light delivery vehicle and some tractor component as well as a small plough. In order to succeed the emergent farmer will require on average 300 hectares, farmer support services, credit, extension services and training

[10] Based on Agriqwa's experience of farmer development in Qwaqwa.

in farm management skills in order to be able to apply sound farming principles. Moreover, the farm should be in the higher potential area of the Free State northern and eastern areas. A diversified farming enterprise is recommended, with a relatively strong livestock factor.

In general, of the categories researched, residents of the former homelands and farmworkers tend to have the highest level of functional literacy and are also best endowed in terms of current exposure to practical agriculture. The ability to contribute equity was found to be most prevalent in the former homelands and in urban environments. The strongest savings patterns exist in the former homeland areas and the industrial decentralisation areas, both of which have been subjects of homeland-style development initiatives through Agriqwa and Agribank. The groups with the greatest desire to farm are in the small farmer sector of the industrial decentralisation areas and amongst farmworkers.

3.3. White Farmers, Farmworkers and Ex-farmworkers

3.3.1. Introduction

In the Free State, approximately 72 percent of farm land is farmed by the property owner, while 25 percent is leased or rented and three percent is farmed on a shared basis through equity arrangements. It is estimated that ten to fifteen percent of land is farmed on a part-time basis. Ninety eight percent of farms in the commercial areas are privately owned. In 1991 it was estimated that over one quarter of the Free State population were farmworkers and their families, living on farms throughout the 'white' commercial farming areas of the province. Even though the numbers must have decreased considerably since then, farmworkers constitute a sizeable potential beneficiary grouping.

The complexity of the former 'white' commercial farming sector as an arena of land reform is described through a series of case studies conducted both on farms and in small and larger towns and townships (including informal settlements) where ex-farmworkers are concentrated. Research was undertaken in the farm area surrounding Viljoenskroon representing farm labour settlements on white commercial farms. A study of farmworkers was conducted in the Tweespruit and Dewetsdorp areas and their respective townships of Borwa (including the shanty periphery of Mkhondoville) and Morojaneng.

There are no reliable aggregate statistics on structural unemployment in commercial agriculture, but one can make a judgement based on an important shift of the black population between 1985 and 1991. While population growth overall was estimated to be about six percent over this period, small towns showed an increase in population of 47 percent; 'closer settlements' in 'homelands' an increase of 57 percent; large municipal areas an increase of 18 percent. White farms showed a decline of 27 percent. It has been estimated that this accounts for 200 000 people displaced from white farms over this period.

It is estimated that the population of Tweespruit town almost doubled between 1991 and 1994 to 7250 residents. Similarly, Rammulotsi, the black township adjacent to Viljoenskroon, is currently experiencing a massive influx of people from surrounding white farms and is estimated to have a population of 55 000 inhabitants. Nonetheless, the exodus of farm workers from farms is expected to decline as the agricultural restructuring phase comes to a close. Farm workers will, however, continue to face eviction over the interim restructuring period of the next three to five years, although at a slower rate than in the 1980's and early 1990's.

3.3.2 The Role of the State

Currently, the right of farmworkers and their families to live on a farm is dependent on them having a job there: if they lose their jobs, they lose their homes. The greatest demand expressed by farmworkers was for security of residential tenure. Most farmworkers felt that land should be given to them by the state, although they also expressed an eagerness to have an improvement in their wages to enable them to buy land. Farmworkers felt that the government should assist in the purchase and acquisition of land and homes either directly or through grants, subsidies and loans. Given the decline in commercial agriculture, the situation of farmworkers is a highly tenuous one. Irrespective of the economic pressures in recent years that have led farmers to rationalise their labour forces, the manner in which evictions have taken place has often been inexcusable. Farmworkers felt that it was the government's responsibility to mediate between farmers and farmworkers and to address the extreme imbalance of power between farmers and farmworkers.

Amongst farmworkers, ex-farmworkers and residents of small towns, there is a strong feeling that direct government support should be given to address their needs. People generally do not feel that there is any need for them to make financial contributions as they believe that they have had land taken away from them in the past and they are often in a position to identify that land. Residents of these areas feel that is the government's responsibility to provide those who wish to farm with land.

3.3.3 The Role of White Farmers

While any balanced rural restructuring should include the situation of farmworkers, care should be taken not to hamper their labour mobility or to create a situation where workers are laid off because of uncertainty about labour action. Farmworkers find it very difficult to organise because of their physical isolation and a reluctance on the part of some farmers to allow access to their farmworkers. Farmworkers are particularly vulnerable to threats and intimidation by some farmers who wish to deny farmworkers their new rights[11]. Despite the overwhelming inequality of power that exists between farmers and farmworkers, white farmers are by no means undifferentiated in their social and political attitudes. There are possibilities for farmers and farmworkers to discover and pursue some common interests.

Farmworkers felt that whites should play a role in job creation within the rural areas and the economic empowerment of these areas. Farmworkers would benefit from increased economic activity in the area and an ability to buy land. White commercial farmers should assist with education and training as well as providing access to specialised equipment. Farmworkers also felt that white commercial farmers should sell particular portions of their farms to them. If they are unable to offer land directly, white farmers should negotiate with the government to make land available for farmworkers.

Many farmworkers felt that they should be given rights to the homes on the farms they are employed on, including the surrounding plots of land. The demand for agricultural land and the aspiration to farm was the highest of any of the categories of people involved in the research. In general, farmworkers expressed a preference for communities receiving land

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[11] The Southern Free State research team was unable to adequately conduct one of the planned case studies as a result of white farmers in the area denying them access to workers. On the other hand, there were farmers in another case study area who were very co-operative and who offered their assistance in gaining the co-operation of others.

for communal ownership and use as opposed to individuals receiving individual pieces of land. At the same time, the amount of land demanded for grazing, ploughing and gardening was relatively small: an average of 99 hectares in the northern Free State. On the other hand, commercial white farmers, argued against subdivision of farms, and stressed that in order to be viable, a farm in the higher potential area of the Free State should ideally be no less than450 hectares on average.

3.3.5 Security of Tenure

It is the insecurity of livelihoods which lies at the core of the farmworkers need for land reform. White commercial farmers recognised that there were problems relating to security of tenure for farmworkers, and expressed concern over who would take responsibility for the development of infrastructure to achieve this goal.

In Viljoenskroon, white farmers tended to support the idea of 'farm villages'. These would enable farmworkers from a few neighbouring farms to obtain freehold tenure and a permanent place to live, while maintaining their employment on the farms. There was a concern that villages such as these could not develop indefinitely, however, and the social fabric might become distorted. Further, problems would be experienced with this arrangement in extensive farming areas, where farmworkers would, in certain instances, be far removed from the farms on which they worked. Moreover, farmers felt that these villages should remain localised and under the firm control of the farmers who employed their residents.

White farmers in the Tweespruit area expressed concern over the idea of farm villages, which they perceived as having the potential to become 'mini-Botshabelo's' on their doorsteps'. Control over influx of people into these village areas had the potential to become unmanageable. However, they appreciated that concentrating farmworkers and their families on 'neutral' village sites, with security of tenure, would be a very effective method of delivering rural services. As far as farmworkers were concerned, provided their land requirements were met through this sort of arrangement, they were not averse to it.

While security of livelihoods has been a burning issue for farmworkers for many decades, the scrapping of influx controls has allowed many farmworkers to overcome this problem by becoming shack-owners in the townships nearest to their place of work. Because most

farm schools only go up to Std. Four, parents have also acquired shacks in the nearest towns in order for their children to attend to high school. While this has alleviated insecurity to some extent, this arrangement is far from satisfactory. Farmworkers may own cattle, and they are unable to find adequate land for grazing in the shack areas around small towns. Farmworkers stressed that land needed to be made available to build schools on farms.

3.3.6 Shanty Peripheries

Many small towns, already facing economic decline, have become pools of acute poverty and structural unemployment, greatly exacerbated by the influx of ex-farmworkers and their families since the mid-1980's. This influx of people has been further stimulated by informal land invasions since 1990. These have resulted in shack sprawl which in many cases has penetrated the commons of small towns. Small towns are becoming increasingly residential in nature, and the increasing number of poor families in small towns and urban areas has resulted in backyard squatting and lodger families. A further group of people has settled on the outskirts of these small towns in the past decade - disaffected tenants from the overcrowded backyards of formal black townships.

In order to fully appreciate the predicament that faces the inhabitants of the small towns, the impact of redundancies in commercial farming has to be understood in the context of: firstly, of a rate of unemployment that was already high amongst the established residents of the towns, and secondly, of the scale of redundancies that has been imposed in the mining industry in recent years. It has been estimated that approximately 60 000 out of a total of about 160 000 mineworkers in 1991 were retrenched from the Free State Goldfields between 1991 and 1994. While a number of these retrenchments affected people outside the Free State (Lesotho, Transkei), the impact here was nevertheless significant - particularly on the younger generation who relied on mining contracts, but retained a home-base on farms where the older generation was still employed. Whole families were therefore effectively caught in a pincer movement between declining mining and farmworker prospects, and ended up in the shanty peripheries of small towns.

Residents of small rural towns and their shanty peripheries, including ex-farmworkers, demand more space for planting vegetables, for cultivation and grazing, and for residential purposes. Residential plots are often too small and frequently residential land is found to be unsuitable. Although many people have access to residential sites there is a demand for

ownership of these. Municipalities are seen to be responsible for the provision of additional land for residential purposes. While people will need assistance with housing, there is an acceptance that they will need to enter into some form of loan assistance program.

Residents of shanty peripheries call for a reversal of the 1968 bylaws which closed town commons. They feel that this land should be used communally for grazing and gardening. Town commons surround most towns in the province and encompass 141 640 hectares (or 1.2 percent of total provincial surface area). This land is managed by local authorities who lease the camps on five year contracts. Leases are concluded through public auctions at which all interested people may place bids. Town commons are generally used productively and are usually used as grazing land.

3.4 State Land in the Ex-homeland Areas

3.4.1 Introduction

The aggregate of state land in the ex-homeland areas of Qwaqwa and Thaba Nchu amounts to approximately 100 639 hectares, of which 33 600 hectares is functionally conservation land. In total there are twelve former SADT farming units, comprising 14 000 hectares in the developing areas, which could be allocated to prospective black farmers. Communal land exists at present only in Qwaqwa and Thaba Nchu: tribal land in Qwaqwa amounts to approximately 50 000 hectares while 78 000 hectares is found in Thaba Nchu. The communal land in Thaba Nchu is state land under tribal jurisdiction. Some 2005 smallholder farmers farm on the Thaba Nchu commons. The typical farmer is allocated three to six morgen of arable land and keeps between five and ten livestock units. At the same time, The number of people residing in peri-urban settlements in Qwaqwa and Thaba Nchu was estimated to be 317 850 in 1991.

State, communal, and trust land were the focus of a number of case studies carried out in the former homelands. In Qwaqwa research was undertaken in the peri-urban 'closer settlement' of Tseki which borders on Phuthaditjhaba. Tseki is characterised by generalised but limited communal grazing. In Thaba Nchu (part of Bophuthatswana), case studies were conducted in the two communal trust villages of Sediba and Gladstone. While Botshabelo is not an ex-homeland in the technical sense, a case study of demand for land was undertaken there. This case is seen as central to land reform in the province and has been

chosen as a Land Reform Pilot Project. The restitution case of Thaba Phatshwa is also appropriate under this heading, although the 'homeland' in this case is a former 'Coloured' Reserve.

The ex-homeland areas became centres of urban concentration through decades of pressure under the pass law system. Blacks were pushed out of the 'white' urban areas and, with the exception of farm labourers, from the commercial farming areas of the Free State. Ex-homeland areas also experienced an influx of people resulting from the same factors leading to an increase in the numbers of people in urban areas and small towns. Both the former homelands of Thaba Nchu and Qwaqwa are characterised by extremely high population densities compared with the Free State province as a whole outside the metropolitan areas. The town of Botshabelo (which borders on the Thaba Nchu district) has the largest concentration of people in the Free State. However, it should be pointed out that, since the abolition of influx control in 1986, demographic growth poles have increasingly shifted from ex-homeland areas to core areas.

3.4.2 Recognition of Land Tenure

Most of the land held in these areas is held by the state and is either leased or administered and allocated by tribal authorities. Amongst all residents, and particularly those without access to land, there is a deeply rooted land hunger. Tribal systems of land allocation seem to be in disarray, exacerbated by the rapid influx of people from outside the tribal authority to these areas. In one case study area, open dissatisfaction with the chief was expressed and allegations were made that land was allocated on the basis of patronage and corruption. In general it was felt that the state should allocate land and although some were prepared to have the chief play some kind of a role, none felt this authority should be exclusively granted to tribal authorities. A source of grievance with the chiefs also centred on the issue of restriction of livestock holding, which people see as a perpetuation of the despised trust regime.

In some cases, resentment exists towards those who are leasing land from the state, and it is felt that this land should be taken out of leasehold and returned to its rightful owners. In Thaba Phatshwa, for example, land (which is now the basis of a restitution case) has supposedly been farmed since the late 1970's by a government appointed official 'for the benefit of the community' but not by the community directly. The profits from the enterprise

have been invested in local improvements such as the selective installation of electricity, the installation of a sewerage system and new housing. Recently however, this land has been rented out to private individuals leading to a great deal of community resentment.

It should be pointed out that inequality in landholding is a potential source of open conflict. In at least one case study area, residents alleged that those in the community who do not have fields for ploughing deliberately allow their cattle to graze in other people's fields, claiming it to be accidental.[12] At the time, however, those people who did have access to land in many cases were not utilising it. This points to a serious contradiction: there is an expressed demand for land, but when it is obtained it is often under-utilised.

Arable land in the ex-homelands is an underdeveloped resource whereas grazing land has, over the years, been subject to acute overgrazing. Farming in communal areas is restricted by a lack of acknowledgement of tenure rights, and by theft. In general, fields were not ploughed as a result of drought and a lack of drought assistance (in contrast to that received by white farmers in the area). Water was too scarce for more than occasional use for farming during the year. A lack of access to farming implements, seeds, fertilisers, tractors, credit and advice also prevented farmers from using their fields.

Communal grazing is something which is accepted by almost all people in these areas, and expansion of the communal grazing areas is called for. Given the ecological hazards associated with overstocking, any attempts which are made to curtail livestock holdings should be sensitive to people's perceptions of past injustices in this regard. While some controls will almost certainly be necessary, they must be community driven.

3.4.3 Farming

Apart from a demand for title to the arable and residential land currently accessed, there is a demand for expansion of landholding in general. People living on state land in the former homelands areas want a recognition of their ownership of the land: they do not feel that they should have to buy the land because it is already rightfully theirs. People living in the ex-homeland areas of the Free State want more land for farming but they do not, in

[12] Gladstone has a history of political tension which relates in part to the destruction of the Trust Village of Morakashoek in the early 1990's to make way for the Moutloatsi Setlogelo dam and the Thaba Nchu Sun Hotel.

general, foresee becoming commercial farmers in the usual sense. The amounts of land which people want are too small (less than 50 hectares) to conceivably constitute the basis of commercial farming on the scale of 'white' commercial agriculture. There was a general sense that even if a surplus were produced, it would not be easy to dispose of.

About half of the people have access to land (usually between 1 and 6 hectares) which tends to be used for subsistence agriculture. Incomes are not agricultural, but are largely derived from the formal economy as wages or pensions. Even residents without land hold livestock in communal areas and may have household gardens attached to their residential areas.

Even if title is granted to individuals, in many cases the plots may be too small to obtain credit and secure a loan for farming. In Tseki, people were prepared to entertain the possibility of communal arable farming as a way in which to alleviate unemployment and also to obtain agricultural crops for consumption (especially fresh produce). There was a suggestion that if the community could have a farm to cultivate, they would be able to sell food at reasonable prices to the rest of the Tseki community. They felt that the appropriate location of the communal farm was not within Qwaqwa itself, but rather closer to Harrismith where the terrain is not so mountainous.

3.5. Residents of Urban and Peri-urban Environments

3.5.1. Introduction

The number of urban blacks in the Free State receiving no income in 1991 was estimated to be some 616 650 of which at least 100 000 may have lived in small or middle order towns. These numbers must have increased significantly since then. Residents of towns and peri-urban environments were the focus of a number of case studies. In the northern Free State research was conducted in Tshiame B, a small township located approximately ten kilometres west of Harrismith, representing a peri-urban township and informal area. A case study in Maokeng, a township area adjacent to Kroonstad (a larger regional town) focused on the 'ghost town' of Marabastad, which represents an urban and informal settlement made up partly of resettled and/or dispossessed people (or their descendants from rural environments) and, more recently, former farmworkers from commercial farms. Botshabelo is an urban settlement about fifty kilometres from Bloemfontein.

3.5.2. Peri-urban and Urban Agriculture

Urban and peri-urban environments are suited to small scale farming, particularly where the possibility of irrigation exists. Engagement in small scale poultry farming should be encouraged, especially considering that land adjacent to towns and cities will need to be profitably used to cover its high value on the land market. Vegetable gardening and grazing camps should be made available. Garden farming should be viewed from a development and urban planning perspective, as well as an urban / rural and urban / environment one.

The needs expressed by urban and peri-urban communities understandably focused on general social development as well as on access to land for agriculture. Broadly, the need for land is juxtaposed and linked to the need for residential security and employment. At the same time, the promotion of urban agriculture in the urban residential areas and in adjacent smallholdings is recognised as a possible way of increasing employment opportunities. Agriculture should not be seen only as an extensive rurally located activity, but also as household and commercially oriented production of food crops in urban and peri-urban areas.

In general, residents of Tshiame are in favour of Tshiame being developed into privately owned smallholdings (50 hectares on average) utilised for a wide variety of purposes, including farming. Certainly, smallholdings can serve as a buffer zone between residential areas and communal grazing areas to prevent stock thefts. Residents of these areas feel strongly that the land should be given to them by the state and that the land should be in the vicinity of the current residential area.

3.5.3 Town Commons

Better future utilisation of town commons and the opening of these commons to the community will play a critical role in land reform prospects for urban and peri-urban residents. In particular, there is a demand for access to communal grazing land on the outskirts of townships and peri-urban settlements. Where communal grazing areas are accessed by residents of townships and per-urban settlements, there is a need to demarcate the residential and communal grazing areas clearly and to create a balance between agricultural land use and residential land use. In some cases, land earmarked for residential use is used for grazing in an uncontrolled manner.

The controversial state land bordering Botshabelo is a potential area of conflict between two categories of potential beneficiaries of land reform. The new government has proposed that the bulk of this land be made available for purchase by individual farmers in line with the settlement of black farmers in the Free State. On the other hand, the vast majority of people in Botshabelo are unable to afford any land at all and feel that it should become a commons area for the residents of Botshabelo. Protest has been mounting against the proposed sale of this land, and recent land invasions bear testimony to increasing potential for conflict in the area if the new government does not meet the aspirations of the poor and landless in Botshabelo.

4. CONSTRAINTS AND OPPORTUNITIES

4.1 Introduction

Demand for land needs to be understood in the context of a set of supply side perimeters which serve to restrict the possibilities of meeting that demand and to define the ways in which demands can be met. Economic factors, agro-ecological conditions, land availability, institutional capacity, and political factors will all shape and constrain the implementation of land reform processes in the Free State province.

4.2. Regional Economy

4.2.1 Introduction

The Free State is the most central province in South Africa, bordering six provinces as well as Lesotho, and it is situated centrally in relation to the markets of the four metropolitan areas of South Africa. The Free State consists of 52 magisterial districts including the former homeland districts of Thaba Nchu, Qwaqwa and Botshabelo. There are two core urban conglomerations in the Free State, namely the Welkom-Goldfields and the Bloemfontein-Botshabelo-Thaba Nchu complexes.

Approximately seventy percent of the Free State Gross Geographic Product (GGP) and sixty percent of the formal employment opportunities derives from four economic sectors: mining contributed about 31 percent to GGP in 1988, while commerce, manufacturing and agriculture each contributed between 13 percent and 14 percent. Agriculture contributed about 14 percent of formal employment opportunities. Nearly eighty percent of the GGP was concentrated in seven magisterial districts: Bloemfontein (20.5 percent), Welkom (20.4 percent), Sasolburg (18.0 percent), Virginia (8.1 percent), Kroonstad (4.5 percent), Bethlehem (3.2 percent) and Phuthaditjhaba (3.1 percent). The rest of the magisterial districts did not contribute more than two percent each.

During 1991, 61 percent of the Free State population were staying in urban areas, while 75 percent (85 percent whites, 73 percent blacks) were functionally urbanised, compared to the national average of 48 percent urbanised and 66 percent functionally urbanised. According to settlement type, 39 percent of the Free State population reside in three cities (Bloemfontein, Free State Goldfields and Sasolburg), five percent in large regional towns (Kroonstad and Bethlehem), nine percent in middle order towns, and 22 percent in small towns.

In 1991, the total labour force of the Free State was some 1 253 000 persons. Economic growth was negative (-0.18 percent) between 1980 and 1988, and the provincial unemployment rate increased from six percent to fifteen percent between 1980 and 1991. The percentage of people finding a job in the formal sector declined from 74 percent in 1980 to 55 percent in 1991. On the other hand, while people finding a livelihood in the informal sector increased from six percent to seventeen percent in rural areas of the southern Free State, it has been estimated that approximately 35 percent of persons in their productive years cannot find work. In the province as a whole, approximately 21 percent of the economically active population have received no formal education at all, while 44 percent had obtained at most a primary level education.

4.2.2 Agricultural Economy

The agricultural sector of the Free State contributes about 15 percent to the agricultural GDP of South Africa. The contribution of agriculture to the Free State economy declined during the 1980's, but is still ranked the third most important sector after community services and mining. The Free State contributes 23 percent to gross national income from field crops, 13 percent to national income from livestock and livestock products and four percent to national horticultural income. Field crops contributed about 51 percent to provincial agricultural value, livestock and livestock products 44 percent and, horticultural products the remaining five percent.

In the 1980's the total area under field crops declined as a result of both economic and climatic factors, while livestock and horticultural products became relatively more important. Nevertheless, total livestock numbers did not increase, suggesting that farmers engaged in lower cost production systems and lower stocking rates. As a result of deregulation, the area under maize is expected to decline further, and diversification

towards other field crops will take place. Marginal area planted to cash crops is also expected to decline. There is no scope for expansion of cash crops in the Free State, and, in fact, the area under cash crops is already over-utilised. There is little opportunity to stimulate economic growth from primary agriculture. The possibility of stimulating the economy by focusing on vertically integrated agro-industries needs to be explored.

While Free State agriculture maintains a favourable balance of trade with its provincial neighbours and internationally, the provincial economy experiences a lack of production capacity in respect of capital and final consumption goods, manufactured goods in particular. The food industry is responsible for the largest part of the manufacturing sector's inter-regional imports. Agro-industries were responsible for 65 percent of provincial industrial output during 1985 derived mostly from the meat processing, dairy processing and grain processing industries of the Free State. The export of primary agricultural products and the import of processed agricultural products (especially to and from Gauteng) takes place on a large scale.

Deregulation of the agricultural sector will have the advantages that more raw products will be consumed in the Free State, transport and other marketing costs will come down, and more value will be added inside the province. There will be more opportunities for farmers to engage in marketing/processing of their own produce and informal markets will be more accessible. Because of the importance of agro-industries in the manufacturing sector of the Free State, as well as their significant employment and multiplier effects, this will have a positive effect on employment and economic growth in the province.

4.2.3 Agro-Ecological Conditions

The South and central parts of the province are suited to livestock farming. The variety of vegetation in the Free State results in a range of *veld* conditions, carrying capacity, degradation hazards and management strategies required to address the various ecological conditions. The sour veld areas of the northern and eastern Highveld have high carrying capacity but quality deteriorates drastically in winter. The western, central and southern sweet veld areas have low carrying capacity. Exceeding the carrying capacity of the land and failure to apply the correct rest and grazing periods leads rapidly to degradation from wind erosion, water erosion or encroachment of invader plants.

Cropping suitability in the Free State is largely a function of soil and rainfall. Climate not only varies from east to west, but from year to year. In general, the Eastern Free State has a relatively higher rainfall, but poorer soil than the north western Free State. Both are considered cropping areas. Most of the southern Free State, however, has poor soil and low rainfall and is therefore not suited for cropping. Mixed livestock / crop farming is practised in the northern and eastern parts of the Free State. While there is an estimated 6.3 million hectares of high potential farmland in the Free State, the remainder of the Free State is considered medium to low cropping potential, either due to poor soils or low rainfall or both. In general, while crops grown in high potential areas can be grown in lower potential areas, the target yields are much lower. The fragility of the agricultural base in the Free State presents a real challenge to the farmer, and sustainable agriculture requires sound management practices. The role of local advisors is critical.

There are presently approximately 90 000 hectares of land under irrigation in the Free State. The possibility of increasing irrigation in the Free State is very limited and is at present confined to the eastern Free State where on-farm irrigation may still be developed. There is also the possibility of producing high value export horticultural crops in these areas. The main source of additional water for irrigation will have to come from improved management of irrigation at the farm level. While the Free State is relatively poor as far as groundwater is concerned, groundwater will have to serve as the source of water to augment water supplies to residential areas and small farms as the cost of surface water supply would be prohibitive.

4.2.4. Land Audit

The total area of rural state land in the Free State province is 539 134 hectares, excluding state land under tribal jurisdiction in the Thaba Nchu district. State land in the commercial areas is estimated at approximately 438 500 hectares. Nevertheless, there is practically no state land available for redistribution or restitution purposes in the commercial areas. Significant portions of this land are used for Defence Force activities, water affairs, prison services and nature conservation. Significant areas also lie alongside rivers and dams and are subject to periodic flooding.

In March 1995, the Land Bank had 53 farming units (based on 16 accounts) comprising 15 802 hectares in its possession which were claimed from farmers who failed to meet their financial obligations. All of these were situated in the central and southern Free State and averaged 300 hectares, with a wide range of sizes. Farms are sold by public auction or when the Land Bank receives a satisfactory offer. Farming in the Free State is likely to become more competitive. Some 3 000 farmers in the Free State are currently in serious financial trouble and may be forced to follow the many others who have been driven out of agriculture in the past decade.

Market values of land declined in real terms during the past decade and are approaching productive values. Land prices vary according to potential and location. Land adjacent to cities is valued far above rural land market prices because of its utilisation for business and residential purposes. On average, four percent of the Free State surface area was transferred annually between 1988 and 1992, accounting for between 250 000 and 500 000 hectares. There is a clear indication that the more land prices decline the more land is transferred.

There is an estimated 30 000 hectares of land in the Free State that is not fully utilised: 14 000 hectares of state or development organisation land which has not already been allocated and 15 000 hectares of Land Bank land. However, this land is in general not high potential and will not be suitable for small scale crop farming. About 24 000 hectares could be made available from the open market for farmer settlement per year comprising 0.4 percent of land in high potential cropping areas (about ten percent of land transfers). This works out to be about 80 commercial farming units a year. These farms are likely to be reasonably well suited for mixed livestock / crop farming.

4.3. Institutional Capacity

4.3.1. Marketing

The Free State is a surplus producer of a number of agricultural commodities (maize, wheat, sunflower seeds, groundnuts, sorghum, dry beans, wool, milk and meat) and is thus dependent on markets in other provinces for a large part of its agricultural produce. Important consumer markets in other provinces include Kimberley, Klerksdorp and the metropolitan areas of the Western Cape, KwaZulu-Natal and especially Gauteng. The Free State is ideally located geographically to serve these markets.

In general, established marketing channels have existed to serve large scale commercial farmers almost exclusively. Although access is not restricted to smaller farmers, they are unable to compete in terms of economies of scale within these structures. Smaller scale commercial farmers are more likely to benefit from tapping into direct marketing and, in particular, into local black consumer markets.

4.3.2 Agricultural Services Provision

In the past, different service structures were established to serve commercial and homeland areas. Extension services provided by the former Department of Agriculture, agricultural development divisions of co-operatives, financial institutions and agricultural input companies, were geared towards the commercial farmer. In the former homelands, Agriqwa and Agricor were created to enhance development respectively in Qwaqwa and Thaba Nchu.

In the past, Agricor assistance was gained through the Farmer's Unions in the homelands, but only a privileged few had access to this assistance. Tractors are today lying idle as a result of confusion around who is responsible for the delivery of agricultural services. It should be noted that, in general, the perception of Agricor is very poor: people felt that it was a corrupt institution and that the extension agents lacked experience of the farming conditions they were faced with. The use of successful local farmers as role models should be actively explored.

In the Department of Agriculture and the Environment, a shift in emphasis from providing extension to the white commercial sector towards serving the so called 'emergent' farmer group is currently under way. The new provincial Department of Agriculture and the Environment is the most important government institution dealing with agricultural and environmental issues in the Free State. The formation of the provincial department and subsequent internal departmental restructuring involved the incorporation of various bodies into a single provincial department, as well as the adoption of a more decentralised service structure which will give sub-regions greater autonomy in the future. This implies that specific co-ordination and integration problems will complicate operations, at least in the short term.

At the same time, the former Highlands Development Corporation, Agricultural Development Corporation of Qwaqwa (Agriqwa), Agricor and Agribank, which all have been involved in community development and agricultural support services in the ex-homeland areas, have merged to form the Agricultural Development and Eco-Tourism company. Operations by the Department of Agriculture and Environment and the newly formed Agricultural Development and Eco-tourism Company will have to be co-ordinated from time to time.

It has been estimated that the institutional support exists to provide extension to assist with the establishment of about 2000 small commercial farmers in the Free State over the next five years - if developers concentrate on agricultural development and not on community development as a whole. The demand side research highlights the possible flaws in following this kind of 'developmentalist' path.

4.3.3 Education and Training

Across the board, the research showed that people demand access to education and training facilities. They feel that training and education institutions should be provided by the state, with the exception of farmworkers, who feel that this responsibility also falls on white farmers.

At present, agricultural education and training is primarily provided by agricultural schools, Boschkop Training Centre, Glen Agricultural College, Technikon OFS, the University of the Orange Free State, and development institutions operating in the former homelands areas.

4.3.4 Finance

Investigations are currently under way to look into the future restructuring of agricultural financing to accommodate emerging farmers. The financial infrastructure of the Agricultural Credit Board, the Land and Agricultural Bank and the Agricultural and Eco-tourism Company will probably be key institutions in this regard. Co-operatives and commercial banks are more likely to play a role in financing lower risk farmers. It is accepted that interest rate subsidies are not the most efficient vehicle of assisting emerging farmers. It must be

recognised that farm financing is a high risk area. New farmers will be vulnerable to the possible loss of their farms if they use them as collateral to finance the farming operations.

4.3.5 Other Institutions

Organised farmers and farmworker organisations, The Orange Free State Rural Committee, the Agricultural Research Council and the Rural Foundation all have a role to play in the development of agriculture and the implementation of land reform in the Free State. However, accountable institutional arrangements must emerge out of the process of land reform, and they must be suited to the task of restructuring the agrarian economy in South Africa. The institutional arrangements which have served white rural inhabitants (markets, extension services) and farmers in the past will need to be bolstered and supported to provide for the greatly expanded needs of those in the countryside.

In general, organisation levels are high amongst communal and commercial farmers, as well as people living in peri-urban and urban areas and shanty peripheries. Local black institutions and structures, such as civics, health forums, cattle committees and *stokvels*, must be recognised and given the support they need to reach their full potential. In the ex-homeland areas in particular, there is a considerable amount of institutional organisation. However, there is a threat that some of the former participation in these institutions has been eroded by a perception that the new government must now 'look after things'. This crisis of confidence in grassroots institutions needs to be addressed.

In the trust areas an underlying tension exists between the traditional structures (personified in most cases by the headman) and those of the political organisations of ANC /SANCO. There is dissatisfaction with the old structures on the part of the majority of youth, and many people feel that the headman is unable to act in their best interests whereas the ANC is. Despite these tensions, it is critical that the old structures are included in any future policy choices. The new structures should not be seen as a means to bypass the old. There are also neutral people such as teachers, health professionals and church representatives who can act as a bridge between these two groupings.

4.3.6 Local Government

The province is currently divided into four RSC's with administrative centres in Bloemfontein, Welkom, Sasolburg and Bethlehem. The Demarcation Board has recommended 80 areas of jurisdiction for transitional councils representing in most cases the amalgamation of white, coloured and black towns. During the process of demarcation a number of areas of dispute (urban and rural) have emerged. Disputed areas included mine villages where thousands of male migrants reside and also mine property, small holdings adjacent to a number of towns, and peri-urban tribal authority land adjacent to Phuthaditjhaba and the Thaba Nchu-Selosesha urban complexes.

Notably, transitional local councils exist in the towns only. A drive for registration for local government elections is happening in the absence of public understanding of the framework of rural local government structures that will eventually be established. The previous governments deliberate exclusion of the majority of people from representation or participation in local government structures will cast a long shadow over the effective working of new structures, not least because, the new councillors, both in urban and rural areas, will have had no administrative experience whatsoever.

It is unclear what model of local government will prevail in the Free State, although it is likely that rural local councils will be constituted for the first time, independently of but in parallel with (urban) local councils. White farmers through the South African Agricultural Union (SAAU) have threatened to boycott local government elections if they are not granted parity of statutory representation . Whatever statutory balance emerges between opposing groups, it is arguable that the constitution of separate urban and rural structures contradicts the strong economic links between small towns and their rural hinterlands. The issue of whether local government structures should be defined as urban and rural is therefore a fundamentally important one. There is the further question of an equitable fiscal base for rural local councils and urban local councils, respectively.

5. CONCLUSION

Despite the problems with representivity, there is a core of information which emerges from the research which is a critical reflection of the way in which marginalised rural communities should be the driving force of the process of land reform. They are more than potential 'beneficiaries' of land reform: what they can and will be asked to contribute to the new South Africa is the process of land reform itself. It is the responsibility of government, national, provincial and local, to ensure that they are able to achieve this mammoth task. Policy principles need to be based on social justice, efficiency, equity and sustainability, but communities must be the generators of solutions which take into account the uniqueness of their situations.

The lack of clarity which shrouds a clear community definition of land need and demand, and the contextualisation of that demand within other demands, stems in part from the reality that for many of those involved in the study, researcher and researched alike, the process of articulation was itself new. For some, this was the first time that they had been seriously confronted with the possibility of finding their own solutions and these may therefore appear naive to those who consider themselves 'realists' and 'pragmatists'. On the whole it proved very difficult to explore clearly the extent of the effective demand for land because so many fundamental questions are begged relating to how people might obtain access to land, the conditions under which it might be used, the infrastructure required and the support that may be available.

Land reform should be aimed at a range of activities, processes, institutions and people. The chances are slight that land reform will play a leading role in stimulating the economy of the Free State on its own. Land reform needs to be seen in the context of other socio-economic reforms which are taking shape in South Africa. Land reform should aim to increase the possibility of survival for a large number of people, improve their sense of dignity, their security, and their nutritional status. It should not aim to simply redistribute land in a vacuum. To this end the research supported the view that the state should also provide adequate infrastructure (electricity, domestic water, roads) and services (health, education, security) appropriate to dignified life.

While *de jure* restrictions on land tenure rights for women need to be addressed where they still exist, the more subtle, but equally influential *de facto* restrictions must be recognised and dealt with. In certain cases it is likely that 'intervention' will be necessary from above. That women are unofficially restricted from owning land in the current South Africa is indicated by the overwhelming sentiment expressed in the research that land should be registered to male household members: male household heads and sons.

On the other hand, the participants in the research were divided into two, more or less equally strong, camps regarding whom they saw as the prime targets of land reform. On the one hand, there were those who clearly felt that land reform should be defined in terms of social justice: that land should be given to the very poor and those who lost land in the past. On the other hand there was an almost equally strong perception that land reform should essentially be social merit driven and related to agricultural imperatives: land should be given to those who wish to farm and those who have farming skills. In virtually all cases, the state was seen as the agent responsible for providing land and other infrastructure.

A land reform based purely on economic imperatives and social merit fails to address the plethora of socio-economic problems which the majority of landless people in the countryside (and those in the cities who articulate a need for land) currently face. It also fails to meet the demands of those who wish to access land, but are not intent upon entering the formal economy as landowners. The need for food security for many residents of small towns, peri-urban and urban areas is, for example, in no way addressed by the small commercial path to a new land dispensation. Questions also arise regarding the characterisation of reforms directed at addressing the dysfunctional relationship between urban and rural areas which has developed through decades of distortions caused in large part by the policies of Apartheid.

Attempting to correct the imbalances which South Africa has inherited from the Apartheid era with a global 'policy' of land reform is bound to fail. If anything, the state should define policy around the role that it sees itself playing in assisting processes of land reform as they are driven forward by civil society. In general terms, the research supported the view that the state is best allocated to play the most important role as regards land allocation and provision of financial support and other services. Given this, it is imperative that the state define its role in land reform with regard to land allocation and fiscal supports. If structures of regulation are to be devised to monitor the use of land, and to influence the behaviour

of landowners through a combination of fiscal stick and carrot, or otherwise, they ought to be directed strictly - and exclusively - towards ensuring that land is used productively.

There are a number of lessons to be learnt from the current crisis in commercial agriculture. The first is that the agricultural economy and social structure should not be used as a political pawn. A second issue is one which lies at the centre of land reform options in South Africa: the necessity of rationalising the role of urban centres vis a vis the rural areas. Attempts to keep people in the countryside will be based on artificial premises unless rural livelihoods can be created. The role of land reform therefore extends deeply into the heart of commercial agriculture, as well as the urban, peri-urban and small town make-up of the province.

What is clear is that the commercial farming class will spring from an already established elite. Emergent commercial farmers come closer to fulfilling the definition of 'beneficiaries of a social merit driven land reform' than one based on social justice. They are in fact relatively wealthy and well endowed people, and their requirements are largely institutional - farm financing, extension services, marketing and other agricultural support. It should be noted that a class of black commercial farmers cannot be expected to drive the process of land reform through a process of 'trickle-down' type economics. The potential employment and income multiplier effects of settling emerging farmers is limited. Small farms tend to be low input operations employing little if any labour.

Further, it is important that the state take great care regarding fiscal mechanisms and support for all commercial farmers in South Africa. Repeating the mistakes of the past - undermining a necessary process of evolution by supporting non-viable agrarian systems and operations - should be avoided at all costs. In fact, there is limited scope for stimulating economic growth from an extension of primary agriculture in the Free State. On the other hand, there is an opportunity to develop agro-industry processing industries further and these industries have strong income and employment multiplier effects. It is in this arena that the state should, perhaps, concentrate its efforts.

The new black farming class is unlikely to emulate the full-time white commercial farming sector. Black entrepreneurs investing in land will in all likelihood not commit themselves to full time farming operations since they derive the bulk of their incomes and their security from other economic activities. They will seldom reside on their farms, but supervise from an urban base. It is important that the state recognise this and not legislate against it. The

penetration of the formerly 'white' countryside by black landowners will have a significant demonstration effect in advance of state sponsorship of black commercial farmers. It is advisable that the state intervene in evolutionary process only when it is called on to do so. Private investment in land by black entrepreneurs will bring much-needed capital resources to a countryside burdened with heavy mortgage debt and a more or less severe crisis of liquidity.

Notably, demand for land for commercial agriculture is not an overwhelming preoccupation in the Free State. At least half of those who participated in the research did not wish to access (more) land for agricultural purposes. Even where a demand for land for agricultural purposes existed, the very small amounts of land required indicated that the imperative was not for commercial farming, but rather for subsistence agriculture and grazing. On the other hand demand for residential land and ownership of that land was widely expressed.

It was generally accepted that grazing land should be available to all and that it should be communal. Cattle appear to be used as a form of banking. Further research needs to be undertaken to explore the implications and possibilities of this: how can this obvious desire to save be used in a more practical manner? Although various societies such as *stokvels* exist, they represent a fairly small interest group at present and the potential muscle of these societies has not been realised There is potential for much greater numbers of people to gain access to credit through these institutions. The development of community based banking should be given priority.

With respect to farmworkers, security of tenure and the resolution of wages and conditions of employment is central to land reform. Additional legislation is required to set minimum wage levels for farmworkers. Farmworkers should not be treated differently from other workers. A common code of practice is urgently required to overcome the extreme imbalance of power between farmers and farmworkers in order to inhibit arbitrary evictions and to improve working conditions, wages, and farmworkers' security of employment. This will require strong political support and careful negotiation.

The increasing dependence of many rural families on small and middle order towns in the Free State poses possibly the greatest challenge to a coherent strategy for the regeneration of livelihoods in the rural areas of the province. At the same time, it is unlikely that the creation of additional livelihoods through measures of land reform, by themselves, could make more than a very small dent in the aggregate figure of farmworker redundancy. The

challenge is in the stimulating of income-generating activities of many different kinds, as well as in farming. It is essential that policy makers recognise the scale of this problem. The economic viability of small towns is closely linked to the prosperity or otherwise of their rural hinterlands.

In the case of people living on the outskirts of cities and towns, the high levels of unemployment, and the inability of the formal economy to provide employment, opportunities in the short to medium term, make this group of people particularly vulnerable. There is the possibility that these areas will grow substantially in the near future and it is critical that an awareness be generated of the impact of potential sprawl on high potential agricultural land or environmentally sensitive areas. Household food security and the prevention of under-nutrition and malnutrition are of great importance. Creative solutions, which serve both to contain urban sprawl and to provide employment opportunities and food security, need to be found.

The reintegration of former homeland areas into a unitary South Africa implies a convergence of political responsibility for the administration of rural development and the disposition of state owned land. On the one hand there is a rationale for land in these areas remaining communal under a legitimate public authority, while on the other hand there is also scope for them to be privatised in order to facilitate access to commercial credit - at least in respect of arable lands. Even if title is obtained, however, the plots may be too small to access credit and secure a loan for financing. The issuing of title will result in a number of individuals selling their plots.

There are some people who would be prepared to buy individual plots if they became available. Those farmers who have the potential to succeed are those who have income from other sources of income to invest in their land and to overcome temporary setbacks. This points to the need for other income-generating activities in addition to measures which may increase people's access to land. The interdependency between agricultural and non-agricultural incomes needs to be taken into account in developing any strategy in the former areas.

The experiences of the historical failure of top-down rural development, including 'betterment', 'rehabilitation' and the concentration of settlement are crucial to land reform in ex-homeland areas and they expose a series of issues for resolution. The catastrophic social failure of trying to create a class of full time farmers at the expense of vast numbers

of other rural inhabitants is highlighted, as is the reality that the ecological fragility of the South African resource base cannot be protected from 'above'.

The driving force of ecological sustainability must be from 'below'. Reforming systems of natural resource utilisation of land and water - with reference to an integrated approach to agriculture, mining industry and energy - should be a further key focus of land reform policy which is government led, but people driven.

With regards local government, an alternative and antithetical model to separate urban and rural councils is that which proposes the establishment of a single council or an Economic Development Forum which brings together statutory representation of discrete economic interests on a single council. A common development strategy would be worked out by representatives of the various constituents: farmers, farmworkers, urban residents and the business community. The two models could accommodate each other for the purposes of defining projects for submission to the RDP through a common (rural local council and urban local council) Local Development Forum.

Land reform, then, is not solely about agriculture or even rural issues. It is many different things to many different people and needs to be seen as such. The role the state sets for itself needs to be flexible and to offer scope for unique solutions within a broader vision of a healthy relationship between urban and rural areas and all those who live in them. If economic imperatives are to be based on sustainable processes, they require no less than this: that people who are to be the driving force of land reform define land reform for themselves. The people both benefiting from and bearing the brunt of change, and the mistakes that this will necessarily entail, need to take ownership of the process before in begins in earnest. The state's role is to support private sector, NGO and community interests as they define land reform, and ultimately to support its implementation.

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