

**A COMPARATIVE ANALYSIS OF TWO LAND REFORM MODELS, THE MASHISHIMALE  
FARM MANAGEMENT MODEL AND THE NKUMBULENI STRATEGIC PARTNERSHIP  
MODEL, SOUTH AFRICA.**

By

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## DEDICATION

### TO

My most loving, caring, courageous and joyful late mother Mrs Maria Mokgadi Sekgota who passed on in 1990. She always encouraged, motivated and supported me through my educational journey; she always said “You will never be a better person without education; I would like you to be a brighter light than all the lights in community.” I would like also to dedicate this document to Sam Vazeer and his family for being a pillar of incessant support and strength to me throughout my darkest days when there was no one to lean on!

## DECLARATION TO BE SIGNED BY THE STUDENT

I declare that the thesis that I hereby submit for the degree Masters at University of Pretoria has not previously been submitted by me for degree purposes at any other University.

I take note that, if the thesis is approved, I have to submit final copies as stipulated by the relevant regulations by 15 July (for the spring graduation ceremony and 15 February for the autumn graduation ceremony), and if I do not comply with the stipulations, the degree will not be conferred upon me.

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The Author

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Mpolaeng Gilbert Sekgota

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6. All the authors of different sources that were used in my dissertation. Every effort was taken to acknowledge and establish the sources of materials used or included in the document.
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# **A comparative of two land reform models, the Mashishimale farm management model and the Nkumbuleni strategic partnership model, South Africa**

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## **ABSTRACT**

The Sustainable Restitution Support – South Africa (SRS-SA) program aimed at the development of a post-settlement support model that could be used to support beneficiaries of land reform in South Africa, especially those who received the land through restitution. The two land restitution claims were identified namely Mashishimale in the Limpopo Province and Nkumbuleni in KwaZulu Natal Province in South Africa. The main objective of the study is to determine the essential elements of two post-settlement support models to successfully implement and manage land reform projects in a sustainable manner namely: Mashishimale Farm Management Model (FMM) and Nkumbuleni Strategic Partnership Model (SPM). The data was collected through meetings and interviews with different stakeholders or role players.

“Farm management can be described as the rational decision-making to achieve the objectives of the particular farming enterprise” (Van Reenen and Marais, 1992: 2). The Community Property Association (CPA) with the support of the Mashishimale community and the Tribal Authority decided to manage the farm by themselves and appointed a knowledgeable and skillful CEO and managers to manage the farm. The Mashishimale Farm Management Model has a definite management structure that is responsible for various activities on the farm. The management structure consists of a CEO, six (6) managers and two (2) assistant managers. Three steering committees were established to help in the decision-making processes. The Oxford dictionary (1979) defines *partner* as “person associated with others in business of which he shares risks and profits.” Nkumbuleni Community Trust (CT) has appointed a Strategic Partner and form the Nkumbuleni Strategic Partnership Model. Nkumbuleni CT together with the Strategic Partner formed a company consisting of five (5) Directors aimed to manage the farm as a business.

The Mashishimale CPA and Nkumbuleni CT were assisted by specialists from the University of Pretoria to develop the Interim Business Plan for the farms. The specialists from the University of Pretoria together with the Strategic Partner, CT and Project facilitator/coordinator developed a Financial Plan for Nkumbuleni CT. The specialists, the CPA and Project facilitator/coordinator further developed a Financial Plan for Mashishimale CPA. No funds were available for the FMM to manage the farm. At the SPM, the Strategic Partner made funds available to manage the farm. Both farming enterprises applied for financial assistance from CASP but didn't receive anything.

FMM and SPM received training that was developed by the SRS-SA specialists and facilitated by Project facilitator/coordinator. The Limpopo Department of Agriculture is not visible at Mashishimale

and as such the roles of local municipality and extension officers are non-existence. There is no a single extension officer that the CPA knows at this juncture. The Nkumbuleni CT members are uncertain about the role of the division of Agricultural extension (Provincial Department of Agriculture and Conservation, KwaZulu Natal) can play to support them because they only attend meetings but there is nothing from them or from their Department. Both FMM (CPA) and SPM (CT) are getting advisory and other support from the private sector and other stakeholders.

The Transvaal Suiker Beperk (TSB) entered into a partnership with the Trusts of Siphumelele Community and Ingwenyama Community (separately) through its Agricultural services company known as Shubombo Agricultural Services (Chiyoka, 2009). Strategic Partnership Model has a definite management structure. Extension services are rendered in a joint venture whereby the TSB extension officials and the Provincial Department of Agriculture, Rural Development and Land Administration extension officials work together to assist farmers. The South African Sugar Association is providing technical advices on production and other relevant aspects such as market trends, etc. TSB provides training on leadership, conflict resolution management and finance management, while extension managers and production managers provide mentorship to the trustees. The Business Plans, Financial Plans and Work Skills Plans were developed by TSB (TSB, 2009). Training is regarded as part of a developmental program that is aiming at building capacity on trustees and other beneficiaries. There is well developed communication policy which outlines the possible communication strategy.

A comparison of the two models discloses several similarities namely according to FMM and SPM structures and their responsibilities to manage, control of farm assets on behalf of the communities; they use the same communication channel systems to communicate with the community and other stakeholders and the appointment of the project facilitator/coordinator to facilitate and coordinate the activities.

The most important differences between the two models are:

- A scientific company was formed by the SPM to manage the farm as a business while the CPA kept that responsibility to itself in the FMM.
- The Traditional Authority at the FMM attend all CPA meetings while at the SPM do not attend all the CT meetings.

The study reveals that the following actions are essential for the successful post-settlement to restitution farms:

- The execution of baseline study (survey) to determine the socio-economic situation in a community (beneficiaries).
- The appointment of an independent Project facilitator/coordinator to ensure effective and efficient communication.
- A well defined management structure and the appointment of a knowledgeable, skilful and experienced farm manager(s) or Strategic Partner.
- The development of a business plan for the farm with the support of professional agriculturist.
- The identification of qualified professional extension advisor to provide advice and guidance to the manager(s) or Strategic Partner.
- Appointment of a mentor to guide, advice and train the manager(s) or Strategic Partner.
- Financial support to manage the farm (Grants; Comprehensive Agricultural Support Program; financial institutions and specifically the Land Bank).

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## ACRONYMS AND ABBREVIATIONS AS USED IN THE DOCUMENT

CASP	: Comprehensive Agricultural Support Programme
CBO	: Community Based Organisation
CGA	: Citrus Growers Association
CIDA	: Canadian International Development Agency
CPA	: Community Property Association
CT	: Community Trust
DBSA	: Development Bank of South Africa
FMM	: Farm Management Model
HR	: Human Resource
IST	: Ingwenyama Simhulu Trust
KZN	: KwaZulu Natal
LARP	: Land and Agrarian Reform Project
LCC	: Land Claim Committee
LFS	: Lebuyile Farming Services
LRAD	: Land Redistribution for Agricultural Development
NGO	: None Governmental Organisation
PMC	: Phalaborwa Mining Company
PRO	: Public Relations Officer
PSDI	: Phalaborwa Spatial Development Initiative
RDP	: Reconstruction and Development Programme
RLCC	: Regional Land Claim Commission
SAS	: Shubombo Agricultural Services
SASA	: South African Sugar Association
SASRI	: South African Cane research Institute
SLAG	: Settlement and Land Acquisition Grant
SPM	: Strategic Partnership Model
SRS-SA	: Sustainable Restitution Support – South Africa
SSDU	: Settlement Support and Development Unit
STT	: Siphumelele Tenbosch Trust
SWOT	: Strength Weakness Opportunity Threat
TA	: Tribal Authority
TC	: Tribal Council

TSB : Transvaal Suiker Beperk  
UK : United Kingdom

# **A comparative analysis of two land reform models, the Mashishimale farm management model and the Nkumbuleni strategic partnership model, South Africa**

## **CHAPTER 1 BACKGROUND, PROBLEM STATEMENT AND OBJECTIVES**

### **1.1. BACKGROUND TO THE STUDY**

#### **1.1.1. Importance of land reform**

“Black South Africans were not allowed to own land and millions were evicted from ancestral land to make a way for the white settlers. Post 1994, the new democratic government of South Africa came up with legislation to redress the past injustices created as a result of racially based legislation or practices. The aim is to implement land reform legislations in such a way as to provide support to the vital process of reconciliation, reconstruction and development, as well as restoration of the land from which claimants were dispossessed.” (Land Claims Commission, 2003).

According to the White Paper on South African Land Policy of 1997, the importance of land reform in South Africa has been brought about land that has been dispossessed from the black people that took place at the hand of the white colonizers. “Millions of black people were forced to leave their ancestral lands and resettle in what quickly became over-crowded and environmentally degraded reserves – pools of cheap migrant labour for white-owned farms and mines. Under the Native Trust and Land Act (1936), black people lost even the right to purchase land in the reserves and were obliged to utilize land administered by tribal authorities appointed by the government” (Department of Land Affairs, 1997: 7). The land reform also aims at the creation of stability in the country and the provision of resources for the creation of better and viable livelihoods as well as establishment of viable and well-located rural and urban settlement in South Africa (Department of Land Affairs, 1997).

Black South Africans are currently having high hopes on the land reform programme that it will bring back their ancestral land that was taken away from them during the apartheid regime. However, people made claims in a staggering pattern, which also contributed to a slow pace of land reform. The slow pace might have been a sign that people are not sure

as to what is land reform all about and coupled with the methods used, compelled government to encourage lodging claims in large numbers. Workshops and other meetings were conducted to explain to people the purpose and importance of land reform (Land Claims Commission, 2003).

The importance of land reform in South Africa is clearly outlined in the three sub-programmes or legs which are:

a) Land Restitution

The main challenge is on how the land that has been given back to the claimants or beneficiaries should be managed in a productively and sustainable manner. There are different structures that are providing the governance on the land that has been given to the claimants through the land reform program, especially with regard to the restitution. The formation of the governing structure is yet a challenge. People who are selected or elected to participate in the governance structures don't have knowledge and appropriate skills on managing the community properties and projects. In some instances, leadership is based on the popularity of individuals instead of the required necessary leadership and managerial skills. People, who happened to be part of the Land Claim Committee at the community level, automatically become members of the Communal Property Association (CPA) or Trust or any legal governing structure at voluntary basis (Land Claims Commission, 2003).

b) Land Redistribution

The Land Redistribution was established to enable the previously disadvantaged South African citizens to access the land for residential and agricultural productive purposes (Land Claims Commission, 2003).

c) Land Tenure Reform.

Land Tenure reform is aiming at reviewing the land policies, administration and legislation to protect and improve the existing rights of labour tenure (security) in South Africa (Land Claims Commission, 2003).



### 1.1.2 Failure of the land reform

Qalam and Lumet (2012) argue that land restitution promised that people who were forced off their land from 1913 until the end of Apartheid would have their priority rights reinstated, but that the process was farce. It was poorly advertised, most people were not aware of the deadline for lodging restitution claims was the end of 1996, and yet no late registrations were allowed. The failure of the Settlement and Land Acquisition Grant (SLAG) program discouraged many claimants and forced them to withdraw from initiated farming activities. The Limpopo Department of Agriculture launched a campaign to encourage beneficiaries to deregister from 71 SLAG projects due to poor productivity of the projects (Molefe, 2008). This was also coupled with the internal frictions among the beneficiaries. Beneficiaries felt that they were not succeeding and decided to abandon farming so that they can look for other jobs in different sectors rather than the agricultural sector. The situation of abandoning the projects was in one way or another caused by poor leadership and high expectations in terms of benefits such as cash coupled with a lack or poor support from government officials. This could be observed from Bophelo ke Semphekgo and Uitloop Farm projects in Limpopo Province where the majority of the beneficiaries decided to leave farming because of internal conflict (Molefe, 2008).

According to Monama of City Press (2006), in some instances, land is bought but the farm machinery is excluded. This is creating a room for failure because the new farm owners don't have funds to buy the machineries as they cannot farm without it. Farmers who sold their farms would resort to put their farm machineries on auction because Government failed or delayed to make payment. Monama agreed with Yende (2007) that the main causes of failure on the Land Reform projects are lack of funds, knowledge and skills as well as internal conflict. Some of these contributory factors have been identified and outlined by Kressirer and Ngomane (2006) in the Agro-based local economic development in post land reform areas of Mpumalanga and Limpopo Provinces. These factors are:-

- Limited technical farming expertise – most of the new farm owners do not have any necessary farming knowledge and skills;
- Poor physical infrastructure – it has been noted that most of the farm roads and equipment as well as other farming related facilities are in very poor conditions or otherwise they are none-operational;

- Poor access to finance – new farm owners do not know where and how to access the funds, in some instances the rules and regulations of the financial institutions are too stringent for them to acquire credit;
- Limited farm management expertise – most of the new farm owners do not have any knowledge and skills to manage farms especially commercial farms;
- Poor organizational arrangements and leadership skills – it has realized that some of the project committees do not have constitutions that can guide them towards proper governance, while the responsibilities are also not clearly defined (Kressirer and Ngomane, 2006).

According to Yende (2007) the interest and enthusiasm of most of the new landowners faded away because of the internal squabbling (among the beneficiaries) and lack of money or profit, while some left the projects due to long distance they have to travel on a daily basis. In some cases, the beneficiaries have no interest in commercial farming but only need land for staying and growing vegetables to feed their families (subsistence farming). This situation could also be observed from Thakgalang Village at Chief Pheeha in the Greater Letaba Municipality in Limpopo Province whereby the majority of the beneficiaries were only interested in staying on the farm rather than farming, which left the community divided into groups while the land was under a lease agreement (with a local and commercial tomato farmer). A large number of the new land owners (beneficiaries or claimants) are confronted by the challenges for agricultural projects such as lack of technical skills; lack of business skills; lack of organizational skills; development planning skills; and financing and financial management. It must be noted that most of the beneficiaries or claimants from the rural areas are not farmers and as such have little or no knowledge and experience about commercial farming. Some of the mentors who were willing to assist to further educate or mentor the new farm owners were also losing hope and withdrew from the farming activities (Author's experience, 2008).

The government (Department of Land Affairs, 2008) acknowledged the slow process of land reform and introduced strategies to fast track the process that included setting Land Affairs desks at the municipality level with trained staff; inclusive forum consisting of government departments, Non-Governmental Organizations (NGO), Community Based Organizations (CBO), municipalities and agricultural unions; conducting of information awareness campaigns; additional district offices and increasing the capacity of the

Department of Land Affairs. In addition to the above, the government has introduced the expropriation bill to assist in fast tracking the land reform process especially on those farm owners who are not cooperative.

South Africa is predominantly a rural country whereby most of the people are situated in the rural areas. Construction of the family trees, recording of important information and important solutions that had been taken during the meetings become a serious problem. Most areas in the former homelands are unregistered and un-surveyed (detailed information is unavailable); and where the land is surveyed, there are no titles or clear maps (Land Claims Commission, 2003). The prolonged community conflicts (due to different interests and needs) disputes are sometimes taking too long to resolve, and as such make people to lose hope and delay the development of the projects. It is sometimes difficult to access the claimants and also to hold meetings with them due to poor conditions of the infrastructure and communication problems. This could be coupled with the long distances to be traveled and the conditions of the rural roads (slippery, bumpy and rocky) which pose a challenge to the government officials. Determination of the monetary value of the claims and the development projects to be linked to the restitution is problematic.

Negotiations between claimants, current land owners and the government often take too long. The issues that take too long to resolve include agreement on the beneficiaries, validity of the claim, the identification of the rightful claimants, and the extent of land (property description), land use, and settlement. In the event that a solution is not found, the matter is referred to the Land Claim Court, which takes too long to resolve (Land Claims Commission, 2003). The financial compensation has led to many family disputes, inappropriate expenditure and lack of interest in the agricultural development, which lead into some of the beneficiaries abandoning the restitution projects.

According to African Eye News Services of Farmers' Weekly (2005) some of the restitution farms faced liquidations because of poor management coupled with lack of government post-settlement plan to support the beneficiaries. This could be read from INALA farm which is situated near Malelane in Mpumalanga, whereby beneficiaries were complaining about poor management but government didn't listen until the farm was under liquidation.

Louw (2006) argued that some of the land reform failures are brought about by the beneficiaries' internal matters, which include squabbles, conflicts, values in terms of traditionalists and modernists. This behaviour could be observed from the Doornhoek farm for the Ndwadwa community situated at Badplaas in Mpumalanga. According to Louw (2006), Mpumalanga Provincial Government made a comment reasoning that the management structure of Doornhoek project is dominated by the cliques of powerful chief and his cronies from the community. The official from Mpumalanga (Land Claims Commission) stated that one of the factors that made the project to fail was lack of cooperation among the leaders of the project and the Chief, hence the Chief was having more powers to overrule or change any decision that has been made (Louw, 2006: 73). It is stated that the infrastructures that have been fully utilized by the former owner of the farm have developed into ruins.

The situation of Ndwandwa community is almost the same as the situation of Thakgalang Village at Chief Pheeha community in Limpopo Province whereby the Chieftainship is deeply rooted in the control of the land reform projects in lieu of the appointed CPA. The Chieftainship could sometimes override the decisions made by the CPA and sometimes even by the community itself. There are many internal squabbles and conflicts that are completely prohibiting any agricultural production on the given restitution land. Beneficiaries have resorted to stay on the most productive piece of land and leave the other areas for leasing by popular commercial tomato farmer, commonly known as ZZ2 at Mooketsi. This farm never yielded any farm produce rather henceforth it was handed over to the community more than five years ago. The most predominant production that is envisaged is the internal fighting that led into the CPA and Chieftainship making use of the lease money to pay for the lawyers when they were taking each other to court. (Author's experience, 2008).

According to Terblanche (2010) one of the reasons that make land reform projects to fail is the associated lack or shortage of relevant required farm infrastructures that are so important for agricultural production on the farm. However, it must be noted that in some instances where the beneficiaries are fortunate that the farm has been handed over to them with full functional infrastructures, they turn to be vandalized and stolen. In most cases beneficiaries are trained on the utilization or operation of the machineries that are

found on the farm, but maintenance becomes a problem hence most of them cannot maintain the machinery or infrastructures in accordance with their specifications.

Officials are been arrested for inflating the land prices and creating land claims that don't exist (bogus land claims). The ghost claimants are created to increase the cash compensation settlement which is intended for the villagers who were removed from their ancestral land by the apartheid regime (Nkosi and Mogakane, 2008). It must be mentioned that while prices are being inflated and ghost claimants are created, some of the land claim inspectors, surveyors and officials were refused entry to farms that they needed to inspect for verification purposes. Land reform is time and again been delayed by both farmers (who are resistant to land reform) and officials who are interested in stolen money while robbing the poor communities. This is coupled with the bureaucratic systems that are in place in the land reform processes. The delay in the land reform is currently leaving both beneficiaries and land owners at limbo of disappointment and hopelessness while aggravating frictions, conflicts, farm evictions and hostility between the beneficiaries and land owners (Nkosi and Mogakane, 2008).

The Ministerial review of 1998 has identified the following contributing factors to the slow pace of land reform process (Land Claims Commission, 2003).

- The legal and procedural intricacies of the Restitution of Land Rights Act 22 of 1994 have had a negative effect on the speed at which claims were settled;
- The over Extension of the Land Claims Courts jurisdiction in terms of the Labour Tenants Act 2 of 1996 and the Extension of Security Act of 1997;
- Lack of guidance with regard to the meaning of the concept "just and equitable" compensation;
- A disregard among certain groups for the restitution of Land Rights Act 22 of 1994 in the form of selling of land susceptible to land claims, indiscriminate evictions and deliberate interference with the original geographical description of the land subject to claims, and
- The adversarial relationship between the drivers of the restitution process, i.e. the Commission on restitution on Land Right and the department of Land Affairs.

### 1.1.3. Sustainable Restitution Support – South Africa: Project Management

The Chief Land Claims Commissioner requested the Centre for Land Related Regional and Development of Law and Policy at the University of Pretoria, and the Centre for Property Studies in New Brunswick, Canada to develop an operational strategy: A Partnership for Sustainable Pre-and Post-settlement Support.

The aim of the Sustainable Restitution Support – South Africa (SRS-SA) was to develop a post-settlement support model that could be used to support beneficiaries of land reform in South Africa, especially those who received the land through restitution. The two land restitution claims were identified namely Mashishimale in the Limpopo Province and Nkumbuleni in KwaZulu Natal Province in South Africa.

## 1.2. STATEMENT OF THE PROBLEM

According to the introductory discussion it is clear that a large number of land reform projects have failed in South Africa because of poor governance structures and with little or no post-settlement support or after care services to the beneficiaries. The problem statement is outlined in Box 1 below.

<div data-bbox="1344 1031 1474 1077" data-label="Text"><p>Box 1</p></div>
<div data-bbox="354 1066 1201 1094" data-label="Text"><p>1. The Problem: Failure of land reform restitution claims because of:</p></div> <div data-bbox="354 1115 633 1142" data-label="Text"><p>1.1. Poor governance</p></div> <div data-bbox="430 1161 1474 1415" data-label="Text"><p>The production on a large number of farms that have been transferred to new beneficiaries (owners) through land reform program have collapsed due to lack of technical skills; lack of business skills; lack of organizational skills; development planning skills; and financing and financial management as well as leadership skills and internal squabbles fighting and conflict, which are attributes of poor functional governance structures (especially to manage commercial farms).</p></div> <div data-bbox="354 1465 841 1493" data-label="Text"><p>1.2. Little or no post-settlement support</p></div> <div data-bbox="430 1512 1474 1902" data-label="Text"><p>There is a marked lack of a government post-settlement plan to support the beneficiaries which lead to some of the farms abandoned by the new owners. Government established programmes such as Comprehensive Agricultural Support Program (CASP) and Land and Agrarian Reform Projects which were all aiming at supporting farmers especially new farmers. However, the programmes could not give the necessary support required by the new farmers especially those that have just acquired land through restitution claims. These new farmers don't only need capital injection, but above all, they need knowledge and skills as well as the right attitude to manage their farms as businesses. They need an effective extension services, training,</p></div>

mentors, and subject experts on different enterprises that government does not actually provide.

## 2. Possible causes

According to Düvel (2002) individuals may not adopt the innovation or practice because they are incapable or unwilling to adopt which can be related to a lacking need and the related aspects of perception and knowledge. In accordance with the statement above, it implies that some of the officials (Regional Land Claim Commission) who were supposed carry out the tasks of Land reform failed because they were either incapable or unwilling. They might have been satisfied with the pace and manner that Land reform process was taking place in South Africa or unaware that they can still do better than what they were doing or done. The officials might have been unwilling because they did not have sufficient knowledge on the Land reform process while some might have found the situation incompatible in terms of their personal, physical, economic, social, cultural or communication wise (Düvel, 2002).

### 2.1. Independent variables (availability of personnel)

There is marked lack of delivery because of insufficient personnel and well trained staff with little or no appropriate knowledge, skills and experience.

Government is in one way or another part of the problem hence there is marked lack of delivery capacity because it is understaffed while some of the officials responsible to drive the process of land reform also lack the necessary knowledge and appropriate skills coupled with experience about land reform. There is also a relative weakness of the service agencies which are under-budgeted and therefore poorly funded.

### 2.2. Dependant variables

- Physical resource constraints

South Africa has a shortage of arable land which maps with a shortage of water supplies that may lead to drought possibilities. The shortage or lack of arable land and shortage of water is coupled with fragmented distribution of physical resource especially to the rural poor where farming is actually taking place. It has been noted that most of the farm roads and equipments as well as other farming related facilities are in very poor conditions or otherwise they are none-operational (Department of Land Affairs, 1997).

At some farms, beneficiaries were given the farms without functional infrastructures, however, it must be noted that in some instances where the beneficiaries are fortunate that the farm has been handed over to them with full functional infrastructures, they turn to be vandalized and stolen.

- Macro-economic and financial constraints

This is being brought about the possible limitation and competition between the possible available resources in South Africa. New farm owners do not know where and how to access the funds, in some instances the rules and regulations of the financial institutions are too stringent for them to acquire credit.

The operation of the land market coupled with high transaction costs and lack of access to financial services especially by the new land owners is posing a very serious challenge to the new farmers. Government is also contributing towards this problem

hence the grants that beneficiaries are supposed to access as soon as they receive the land, take too long than necessary, until new owners lose despair and abandon the farms or farming activities (Department of Land Affairs, 1997).

### 2.3. Intervening (Institutional) variables

- Attitude, knowledge and skills (aspirations)

Most of black people in South Africa could not access farms for decades and as such developed negative attitudes towards farming. This led to a large number of the youth staying away from the farms, which ultimately made them to lack the required basic knowledge and skills to manage the farm, let alone the commercial farming business. It must be mentioned that even though there are few young people from tertiary institutions that are developing a positive attitude and interest, but yet there is a marked gap that will take some decades to close. This left most of the beneficiaries in a situation wherein there is a marked limited technical farming expertise among and within most of the new farm owners or beneficiaries in South Africa.

### 2.4. Other constraints

- Governance constraints

There is lack of coordination across the sector which is coupled with fragmented ownership and control of government land. It must be mentioned that some of the challenges are government born and as such they are even legal bound. These among others include the adversarial relationship between the drivers of the restitution process, i.e. the Commission on Restitution on Land Right and the Department of Land Affairs (inclusively the Department of Agriculture at provincial level) (Department of Land Affairs, 1997).

- Organizational constraints

It needs to be acknowledged that there is a marked weak organization of rural people with little existing capacity at rural local government level. Rural people usually don't have knowledge and experience of local government. It has been realized that some of



the project committees do not have constitutions that can guide them towards proper governance, while the responsibilities are also not clearly defined (Department of Land Affairs, 1997).

### 1.3. OBJECTIVES OF THE STUDY

#### 1.3.1. Main objective

To determine the essential elements of two post-settlement support models to successfully implement and manage sustainable land reform projects: namely Mashishimale farm management model and Nkumbuleni strategic partnership model.

#### 1.3.2. Specific objectives are:

- To describe two different models with regard to land restitution with one another
- To compare these two models
- To determine the factors that led to failures and/or successes in each project.

## CHAPTER 2

# LITERATURE REVIEW ON LAND REFORM WITH SPECIAL REFERENCE TO RESTITUTION CLAIMS AND AFTER CARE SUPPORT: THEIR GOVERNANCE AND POST-SETTLEMENT SUPPORT

### 2.1. DEFINITION OF LAND REFORM

Land reform is a process of transferring the land from one owner to another through certain legislation that governs the entire process. In most of the African countries, land reform is about transferring land from white owners to the black people who have been dispossessed the land in the past by the apartheid regime. According to Oxford dictionary, the word “reform” means to make better by removal of imperfections, faults or errors (The Concise Oxford Dictionary, 1979). It implies that in the South African situation following laws or Acts at least were used to remove black people from their ancestral lands and also to prevent them from buying the land in the reserves:

- Group Areas Act, 1950, 1957 and 1966;
- Native Trust and Land Act, 1956;
- Black Administration Act, 38 of 1927;
- Development Trust and Land Act, 18 of 1936;
- Black Resettlement Act, 1954;
- Black Land Act, 27 of 1913;
- Prevention of Illegal Squatting Act, 52 of 1951.

### 2.2 LAND REFORM IN SOUTHERN AFRICA COUNTRIES

Land reform in countries in the Southern Africa such as Namibia, Lesotho, Mozambique, Swaziland and Malawi was slightly no different from South Africa in terms of the purpose and land use especially for agricultural purposes. It has been noted that in most cases the land that has been given to beneficiaries or claimants was poorly used due to lack of aftercare support especially on finance and training (agricultural knowledge and skills).

#### 2.2.1 Land Reform in Namibia

According to Adams (2000), South Africa, Zimbabwe and Namibia are engaged in similar agrarian issue of repossession of land that was forcefully taken by European settlers. Black people in Namibia were uprooted from their ancestral lands by the white settlers

without compensation. The government used the public revenue to finance the land reform for the benefit of the historically disadvantaged. The land reform in Namibia focuses more on the redistribution of the commercial farms that are dominantly owned by the whites and the tenure reform which is mostly in the communal areas. He went on to say that if governments in South Africa and Namibia are slow, land invasion will soon take place.

Adams (2000) argues that despite a promising start of land reform in Namibia, there is very little progress been made in the country. Land reform has never been adequately dealt with in Namibia. This might have been caused by the constitutional constraints. In some instances, the politicians didn't take land reform serious until land grabbing in Zimbabwe. Therefore politicians seemed to be drawing their attention to land reform when time for elections approaches.

Namibia was facing a challenge of the role of traditional leaders who administered land reform in some other areas. In some instances there was no clear authority over land allocation management. This was causing tension between poor residents and those who were fencing large areas of land for private use. It was evident that in some instances the land was underutilized, while in other areas there was an absentee ownership or multiple ownerships of farms (Adams, 2000).

According to the survey of 2000 carried out by the Land Reform Advisory Commission, it was acknowledged that the projects were not economically viable while some were just remaining welfare schemes dependent on food ration. It further reckoned that participants were poorly motivated, less committed with very low morale. It was apparent that officials assigned to help in the projects were not qualified for the work, and the community was depending on the help of few or limited number of foreign technicians.

Adams (2000) accentuated that there was still little attention given to land reform even some years after the National Conference of 1991. The Ministry of Land, Resettlement and Rehabilitation was weak and understaffed which has a direct impact on the poor and slow tenure reform progress.

Kuranga (2004) indicated that for the past fourteen years, land reform in Namibia has been slow and ineffective. In some instances where people benefited so little, beneficiaries have leased their land to commercial farmers for grazing. Kuranga (2004)

stressed that beneficiaries have leased their land mainly because they lacked the capital to invest on the land. Some of the beneficiaries have abandoned their land.

Kuranga (2004) argues that government should secure the fertile and productive land to ensure that the farmers' settlement is a success. For government to ensure the sustainability of land reform, it must expropriate commercial farms and those that are unproductive but still located in the most fertile areas. The National Redistribution Program has been used to transfer the commercial farming areas to the landless people (historically disadvantaged people). However, the land reform program has been slow and ineffective due to shortage of funds. This situation forced government to establish the expropriation law to expropriate the commercial farms (Kuranga, 2004).

The government was buying the land and makes it available to the landless through the principle of willing buyer-willing seller, which has been very expensive exercise for the land reform program. Foreigners could buy the land if they have a permit from the Ministry, which opens a way that several foreigners acquired land in Namibia. Government introduced a tax for non-Namibians who owned land, and those who own the land but not using it as well as those who own more than one or a number of farms. The aim was to make land available for transactions so that landless people could benefit. On the other hand people were allowed to lease the land for a longer period to avoid the land from being bought by government again (Kuranga, 2004).

Namibian Agribank like the Land Bank in South Africa offers support by providing loans to the land reform beneficiaries (farmers) to buy land and additional funds for inputs. Agribank beneficiaries were allowed to buy the land directly from the private sellers. The Agribank has been successful in implementing a resettlement program because it has managed to relocate farmers from communal farms to commercial farms without difficulties. The Affirmative Action Loan Scheme successfully resettled disadvantaged commercial livestock farmers that were also subsidized by government.

The introduced tax made foreigners to step aside but they acquire more land through cooperatives farms and partnerships with the Namibians. Some of the beneficiaries have abandoned their farms while some are leasing theirs. The funding for land reform program was insufficient and not sustainable. The funds raised from the lease were not reliable because some of the lessees have abandoned their plots of land. Some have leased their lands for livestock grazing because of lack of funds and possible additional income. They

also don't own the land and as such acquiring loans for inputs or to bring about improvement in terms of infrastructure development is absolutely difficult (Kuranga, 2004).

There was a marked lack of support to the beneficiaries (new farm owners) by Namibian government especially with capital and training that would have capacitated them with the relevant knowledge and skills to operate the farm business successfully. Due to lack of capital, knowledge and skills, beneficiaries in Namibia leased their land to the commercial farmers to graze their livestock. The situation experienced in Namibia was also noticed at Mashishimale and Nkumbuleni beneficiaries where there was a serious lack of farming knowledge and appropriate skills due to shortage of training and financial support which led to land underutilization by beneficiaries (new farm owners).

It further reckoned that officials who were supposed to help in the projects were not really qualified and knowledgeable about the work, and the community was depending on the help of few or limited number of foreign technicians. Mashishimale and Nkumbuleni beneficiaries are depending more on the project facilitators/coordinators and in some cases on the strategic partners especially the Nkumbuleni beneficiaries.

### 2.2.2 Land Reform and Poverty Alleviation in Lesotho

Land reform in Lesotho was different from other countries such as South Africa and Namibia whereby the land is repossessed from the hands of the Europeans. In Lesotho land reform has only a political influence of the developed or developing world. The aim is to withdraw the land from the traditional leaders and introduce new tenure systems such as leaseholds. Selebalo (2001) accentuated that in the politically motivated land reform, the participation and transparency is often sacrificed. It is through scarification that chances of the land reform successes are limited.

In Lesotho the land reform removed the powers of all traditional leaders or authorities and placed them in the hands of the community based institutions namely land committees and village development councils. According to Selebalo (2001), this has caused tension between the modern state and the traditional authorities in Lesotho.

The land-use practices in Lesotho are uneconomic, waste of human resources and natural resources, while on the other hand contributing towards the deterioration of the capacity of natural environment that will only lead towards relative low food production. Farmers are not willing to invest in costly farming inputs or time consuming conservation

practices or rather unsuitable plots. Selebalo (2001) indicated that farmers prefer to go on with marginal farming which is a destructive farming practice. He went further to indicate that the majority of the Basotho have no access to land and the few that have are uncertain about security over the land. The support to the subsistence farming in the rural areas lost its role because of the rural safety net. The support was more towards developing of intensive commercial agriculture and other alternative sources of income.

Selebalo (2001) clearly stated that the need for redistribution of land may not be evident in Lesotho, hence there is a screwed land ownership coupled with the gender discrimination laws and practices that must be abolished as soon as possible.

According to Selebalo (2001), for the success of land reform, government must not undertake the process of land reform in isolation but involve other stakeholders such NGOs, donor community, local government structures and community based structures. This will help that community or beneficiaries will become the owners of the entire land reform process.

The friction about land reform between traditional leaders and the state contributed to the uneconomical land reform projects characterized by human and natural resources wastage which led to low food production. There was poor support for the farmers especially the subsistence farmers in the rural areas. It must be noted that farmers were not willing to invest in the poor plots and as such they preferred marginal farming that was more of a destructive farming practice.

### 2.2.3 Land Reform in Swaziland

Land reform in Swaziland was not different to South Africa and Namibia. The land reform came as a result of people who lived in reserves, which implies that these people could not have permanent farming land or homes. Swazi people were claiming their land that was taken by the Europeans who flocked to Swaziland with numerous different gifts that were used as bribes for the land.

According to Mndzebele (2001), Crown Land was earmarked for redistribution to overcome the problem of landless people of Swaziland. The project was unsuccessful because people were not interested because the land allocated was not of a good quality and as such not good for farming purposes. Most of the best land remained in the hands of the Europeans. It is believed that approximately 12% of the total targeted number of

landless people who were settled in 1949 with unacceptable conditions whereby evictions and desertions took place could not be reached.

It must be noted that in Swaziland, the most targeted land was owned by non-Swazi people, and it is believed that half of the targeted land had been purchased privately and not by the state or government. It is important again to note that out of 82 farms targeted, only 8 farms had been bought by government for the purpose of rural development. Contrarily, the land that has been bought privately other than for the government land development programme has not been used by the time of research. Therefore, it could not help in government resettlement programme (Mndzebele, 2001).

It has been noted that The Rural Development Areas Programme Settlement of 1998 conducted by FAO revealed that the reform has been successful with regard to agricultural production.

It worth mentioning that the land which was purchased was intended for redistribution to the landless people, in some cases ended as property for private companies and individuals. It implies that people who were supposed to benefit from the good intentions were then deprived the opportunity to do so.

#### 2.2.4 Mozambique Land Reform and Poverty Alleviation

The land in Mozambique was taken from the Mozambican owners and became State owned property, which clearly implies that no one can buy the land but only infrastructures on the land. These land portions are the most fertile areas near the villages or cities. This is the way in which the poor peasants lost their land (Suca, 2001).

The donors seem to be interested in funding small projects and mostly without a good impact in terms of poverty alleviation. Donors don't want to fund sustainable agricultural programs, but only small projects, which could not help improving the food production and therefore could not have any impact in the poverty alleviation (Suca, 2001).

The poor economy state of affairs in Mozambique that was coupled with the internal conflicts on land has forced the government to apply the old land laws, which delayed the land reform program (Suca, 2001).

It was disappointing to observe that rich people were giving money to the poor land owners so that they can take their land, which led to poor people without land. This send a signal that the main problem in Mozambique is not the land law, but the implementation of the land law as it is happening in South Africa and other countries. In some instances, communities decided to form a partnership with the private sector with an aim to better their income, while some were tempted to change their farming programmes to suit the needs and desire of the donors even if they were not the best. Nkumbuleni beneficiaries appointed a strategic partner also aiming at resuscitating and improving production of their farming business. Mashishimale community decided to go for partnership but later changed the idea due to problems and challenges they experienced with the partner.

#### 2.2.5 Land Reform in Malawi

Kandodo (2001) indicated that Malawi had been under British rule for 73 years (1891-1964). This implies that the native communities have lost ownership and control of the land to the British sovereign for almost 73 years.

The Malawi government embarked on a very aggressive approach on large scale expansion and estate agriculture through the alienation of land under customary land tenure. The process left many Malawians without land hence the land was lost to the private sector which let the land to be in the hands of the few individuals. The most common situation has been observed in Malawi like other countries such as Swaziland whereby the fertile lands were in the hands of the white farmers only. The aggressive approach has dismally failed the people of Malawi.

One of the signs of failure was the encroachment onto private land, forest reserves and national parks frequently and violently by the Malawians. They believe that the government cares more for the animals than people, whereby the creation of parks involved forced removal of people to poor soils or valleys with uncultivated gradients. The evidence of soil cover destruction especially in the watersheds, erosion of agricultural soils and underutilization of land are signs of failure of the land tenure programme (Kandodo, 2001).

The land was given to the beneficiaries without verifying the suitability and purpose thereof and as such beneficiaries who received land could not develop it, ultimately it was poorly utilized. The land that was distributed to beneficiaries had very poor soils, sometimes with overlapping purposes such as settlement and farming. This is one of the



aspects that have been experienced by most of the beneficiaries in South Africa where the land has been given to the beneficiaries without a proper plan or land use has been done.

### 2.3 LAND REFORM IN SOUTH AFRICA

Land reform in South Africa is regarded as part of the Reconstruction and Development Programme (RDP) and as such it has a contributory factor towards the national reconciliation, growth and development in the country. The program commenced in 1994 immediately after the first and new democratic government came into power. The South African democratic government commenced with the land reform program in 1995 wherein the first programme as Settlement and Land Acquisition Grants (SLAG) was introduced by the Department of Land Affairs. SLAG concentrated more on the poor families with very low income. In 2001, SLAG was replaced by the Land Redistribution for Agricultural Development (LRAD) program which was aiming at creating chances for black people to buy land for agricultural and residential and agricultural purposes. It was denoted by researchers that LRAD has problems that are making it to be slow. The problems included among others the bureaucratic system and centralization of the process (Kirsten et al, 2000) and Walker (2002) as quoted by the National Agricultural Marketing Council (Think Piece for Agricultural Summit, 2008). Land reform in South Africa is a lawful process that is being guided by policies (Department of Land Affairs, 1997), such as:-

- Restitution of Land Rights Act, 22 of 1994  
To provide for the restitution of rights in land to those disposed of land in terms of racially based policies of the past.
- Provision of Certain Land for Settlement Act, 126 of 1993  
To provide for the designation of land for settlement purposes and financial assistance to people acquiring land and for settlement support.
- Development Facilitation Act, 67 of 1995  
To introduce measures to speed up land development, especially the provision of serviced land for low income housing.
- Land reform (Labour Tenants) Act, 3 of 1996  
To provide for the purchase of land by labour tenants and the provision of subsidies.
- Interim Protection of Informal Land rights Act, 31 of 1996

Mechanism to protect people with insecure tenure from losing their rights to, and interest in, land pending long term reform measure.

- Communal Property Association Act, 28 of 1996  
To enable communities or groups to acquire, hold and manage property under a written constitution.
- Upgrading of Land Tenure Act, 112 of 1991  
To make provision for the upgrading of various forms of tenure.
- Land Administration Act, 2 of 1995  
To make provision for the assignment and delegation of powers to the appropriate authorities.

The land reform in South Africa has three legs or sub-programmes which are land redistribution, land restitution and land tenure (Land Claims Commission, 2003).

(i) Land Redistribution

Land redistribution aims at providing the disadvantaged and the poor especially the rural with access to land for residential and productive purposes. The Land Redistribution programme has different components or sub-programmes:-

- Agricultural development to make the land available to people for agricultural purposes;
- Settlement to provide people with land for settlement purposes; and
- Non-agricultural enterprises to provide people for non-agricultural enterprises.

(ii) Land restitution covers cases of forced removals that took place after 1913 June. They are being dealt with by a Land Claims Court and Commission, established under the Restitution of Land Rights Act, 22 of 1994 (Land Claims Commission, 2003).

(iii) Land tenure reform is being addressed through a review of present land policy, administration and legislation to improve the tenure security of farm labourers in South Africans and to accommodate diverse forms of land tenure, including types of communal tenure (ownership).

The Commission on Restitution of Land Rights was established in 1995 in terms of Restitution of Land Rights Act, 22 of 1994 as amended, and it is making provision for (Land Claims Commission, 2003) :-

- Equitable redress and restoration to victims of these dispossessions; particularly the landless and rural poor;
- Contribution towards equitable redistribution of land in South Africa;
- Promotion of reconciliation through the restitution process; and
- Facilitation of development initiatives by bringing together all relevant stakeholders, especially the Provincial Government and Municipalities.

According to Monama (2006), many farms that used to contribute to critical food supply in the country have been given to the families of beneficiaries in Limpopo Province. The production on the farms have collapsed due to a lack of a financial support from government, lack of farming knowledge and skills, and more worse, internal squabbles and fighting. These farms were given to beneficiaries through the SLAG program of land reform. Due to the critical drop in production that has been envisaged from the farms well known for their high production, Limpopo provincial government has threatened to repossess some of the 70 farms. Some of the farms are Sapokoe Tea Estate, The Citrus Farm Zebediela and portion of ZZ2 Tomato Farm that have been transferred to the land reform beneficiaries. A huge production collapse implies that a large number of farm workers are automatically losing their jobs and as such two of the land reform objectives, i.e. creation of jobs and food security may be compromised.

Yende (2007) reported that Nkuzi Development Association which is a non-governmental land reform organisation has financially supported some of the land reform projects in Limpopo Province in 2006 with an aim to revive their productivity that has completely collapsed. The numbers of beneficiaries on the land reform projects (Bophelo ke Semphekgo and Mabo 3 Community Trust) have dropped because of the distance to be travelled to the projects, lack of profit, lack of farming and business skills, lack of farming interest and internal fighting that are coupled with theft (of income) from the sales made. The Limpopo Provincial Government decided to deregister those beneficiaries who were not interested in farming, but only to find that such beneficiaries have left long time before the campaign could be launched.

According to Louw (2004) Government introduced the Comprehensive Agricultural Support Program (CASP), which was aiming at rendering post-settlement support to the farmers with the purpose of providing financial support to the beneficiaries of land reform, especially the rural poor.

In 2008, the Department of Agriculture (Agriculture, Forestry and Fisheries) and Department of Land Affairs (Rural Development and Land Reform) realized that there was a need to establish a different program (after a broader and thorough consultation with different stakeholders through summits, meetings, reviews, and realignment of the implementation of the land reform program) called Land and Agrarian Reform Project (LARP). The program was focusing on the alignment of the comprehensive support package to enable them to be successful; and the development of partnership with non-governmental stakeholders. Its main concentration was on the identification of market opportunities for the identified women and youth as beneficiaries as well as consideration of the areas of high farm conviction rates and agricultural corridors in South Africa (Department of Agriculture and Land Affairs, 2008). It is through LARP that one of the primitive traditional campaigns, *Letsema-Ilima* was developed. *Letsema-Ilima* was predominantly used by the Chiefs in the olden days to cultivate their fields within a short space of time before any other community member could cultivate his/her field, and as soon as they finish cultivating the Chief's field they can go to their own fields and work as groups. The establishment and development of various programs year after year is a symbol of failure and lack of sustainability of the programs by government of the day.

In recognition and acknowledgement of the above failures and challenges and other related problems that are making land reform process to be slow and an ultimate failure, Government came up with a new approach (Profit-sharing partnership) that is thought to be better and that it will yield better results. The new approach to land reform will encourage the white commercial farmers to establish partnership with the land reform beneficiaries in South Africa. This approach will in a way promote also on old system of profit-sharing partnership between farmers. This system has been there for quite some times as it was predominantly practiced by family members who happened to share the same farm, especially in situations whereby one farmer did not have sufficient capital and appropriate knowledge as well as the necessary skills (Hofstatter, 2010).

Government is looking forward to revitalize and provide the necessary support and monitoring the farms that have already collapsed, which will last for a period of three consecutive years (Hofstatter, 2010). The fear is that Government may resort to revived Expropriation Bill to compel farm owners to reduce the land prices so that Government could afford to buy the land.

It has been noted and acknowledged that land reform like many other development programs has constraints that are in one way or another delaying if not derailing the purpose and progress of the program. The White Paper on South African Land Policy (Department of Land Affairs, 1997) outlined some of the constraints that are experienced in the land reform programme:-

- Institutional constraints

The operation of the land market coupled with high transaction costs and lack of access to financial services especially by the new land owners.

- Organisational constraints

Rural people usually don't have knowledge and experience of local government.

- Constitutional constraints

The determination of the parameters of government introduced land reform in terms of property.

- Governance constraints

There is lack of coordination across the sectors which is coupled with fragmented ownership and control of government land.

- Capacity constraints

There is marked lack of delivery because of insufficient personnel and well trained staff with little or no appropriate skills and experience.

- Physical resources constraints

South Africa has shortage of arable land which maps with shortage of water supplies that may lead to drought possibilities.

- Macro-economic and fiscal constraints

This is being brought about the possible limitation and competition between the possible available resources in South Africa.

There are a few principles on land reform that are guiding the implementation of the land reform program in South Africa. These principles are clearly outlined in The White Paper on South African Land (Department of Land Affairs, 1997), namely:-

- Government facilitates the dissemination of information about the land reform and the possible forms and options to obtain the land through the land reform program.

- Needs based

The land reform program should be responding to the identified needs of the people and as such government should establish the necessary mechanism and structures to facilitate the program.

- Poverty focus

Priority should be given to the poor and needy people who will cultivate the land to make income and establish food security system that should be sustained.

- Social justice

It is the responsibility of government to redress the imbalances of the past in terms of land ownership or distribution in South Africa.

- Flexibility

The provincial and local variations should require flexible ways of policy applications to adapt to the demand of the land in South Africa.

- Participation, accountability and democratic decision-making

The communities and individuals should be given opportunity to participate in the land reform program and be in a position to can make decisions.

- Gender equity

The land reform program should make equal opportunity to both women and man, however, priority should be given to women.

- Economic viability and environmental sustainability

The land reform projects should be well planned in such a manner that they are economically viable and sustainable.

The White Paper on South African Land Policy outlines the goal of restitution as “...to restore land and provide other restitutionary remedies to people dispossessed by racially discriminatory legislation and price, in such a way as to provide support to the vital

process of reconciliation, reconstruction and development.” (Department of Land Affairs, 1997: 41). Its purpose is restitution to those people who were dispossessed of their rights in land, since 1913, under racially discriminatory laws and practice in order to promote justice and reconciliation (Department of Land Affairs, 1997: 43). Restitution can take the following forms:-

- Restoration of the land from which claimants were dispossessed;
- Provision of alternative land;
- Payment of compensation;
- Alternative relief including a package containing a combination of the above, sharing the land, or special budgetary assistance such as services and infrastructure development where claimants presently live; and
- Priority access to state resources in the allocation and the development of housing and land in the appropriate development programme.

According to Communal Property Association Act, 28 of 1996, communities or beneficiaries of land reform are encouraged to and must by law, form associations or bodies that will manage the land or properties on behalf of the beneficiaries. They therefore, have the powers to acquire, hold and manage property on a basis agreed to by members of a community in terms of a written constitution. These organizations or bodies are legal entities or persons entrusted to hold and manage the properties of the groups of people or communities on their behalves. These legal bodies or persons could take the form of a Communal Property Association (CPA) or a Trust. It is further explained in the White Paper on South African Land Policy as the “Legal body through which members of disadvantaged and poor communities may collectively acquire, hold and manage property in terms of a written constitution” (Department of Land Affairs, 1997: 51). These bodies are required by the law to draw the constitutions which will help them to provide good governance and management of the properties on behalf of the communities. The Department of Land Affairs monitors the role and progress made by the CPA or Trust after they have been registered with Regional Land Claims Commission (RLCC).

### 2.3.1 Post-Settlement Support models for the South African situation

2.3.1.1 Although there are several models of post-settlement support such as equity schemes and mentorship programs. This research study will only focus on the Farm Management

Model and Strategic Partnership Model, while Transvaal Suiker Beperk (TSB) Model will be discussed as an example of a case study representing a successful Partnership Model.

### 2.3.1.2 Farm Management Model

#### i) Definition and description of farm management

Management can be defined as the organizational process of formulating objectives, acquiring and committing the resources required in ensuring that the set objectives are actually reached. There are many definitions and descriptions of farm management, but they all focus on achieving the set objectives of a farming enterprise or business.

“Farm management can be described as the rational decision-making to achieve the objectives of the particular farming enterprise” (van Reenen and Marais, 1992: 2). According to van Reenen and Marais (1992), a farm manager should concentrate on formulation of the farm business objectives and making decisions that will also help to achieve those objectives. This implies and is implied by the fact that the farm manager must be in a position to can make good decisions and take calculated risks even when the conditions are unfavorable. It might be very difficult for the farm manager to make good decisions if he or she does not have an apparent comprehension of what is entailed in the management process with its steps as they follow each other starting with planning, implementation, control and re-planning which are all pivoting around the objectives of the farming business. However, above all, it is advisable for the farm manager to do an analysis of his strength and weakness in relation to the farm business operation.

One of the most important factors, according to van Reenen, De K Marais, Nel (1995) to be considered on the farming business is labour as it requires proper planning, organization, implementation and control like any other production factor. It is argued that the proper labour management on the farm business is an automatic lead to greater productivity and success of the farm business. This is an indication that the farm manager should have a clearer understanding of the different labour management tasks and activities which among others include recruitment, selection and training. However, it is worth mentioning that a farm manager should be knowledgeable in terms of the labour laws to ensure that he is acting and guided by the current labour relations legislation. It might be very difficult for a manager to run the farm especially which is labour intensive without proper communication skills and motivation. It is emphasized by van Reenen, *et al*



(1995) that a farm manager should ensure his utmost comprehension and love of the farm labourers because they are likely to live with him on the same farm. It has been noted that in most cases the relationship between the farm labourers and farm manager will go beyond work to social aspects, hence he will also interact with them after hours and during the weekends. They see him as father figure, advisor, mediator, protector, assistant and counselor to them.

“Farm Management can be regarded as the process whereby a farmer plans, organizes, coordinates and controls all the production factors of a farm business, namely land, labour and capital, in order to attain certain objectives such as maximum profit growth, sustainability and an improved standard of living” (Van Zyl, Kirsten, Coetzee, Blignaut, 1999: 3). According to Van Zyl *et al* (1999), a manager should be well equipped with the knowledge of the farming systems that is coupled with the management principles as explained above. They further indicate that a manager should have the ability to learn and acquire the farming techniques while developing the appropriate personality traits that will enable him to manage the farm successfully. Van Zyl, *et al* (1999), believes that a manager should be in a position to can strategize the way he is managing the farming business, and believes that a manager should be in a position to can strategize the way he is managing the farming business, and that is having a project-business mind. Olivier (2009) agrees with Van Zyl, *et al* that the farm manager should ensure that the farm activities should be incorporated in the five farm management tasks which are planning, organisation, coordination, motivation and control.

It is a wish for every farm manager to run the farming business successfully. It is therefore imperative for a farm manager to understand the economy, managing the finances of the business as well as understanding how to manage labourers with respect and dignity (Stevens and Strauss, 2009). Stevens and Strauss further accentuated that for a farm to be successful, the manager should be in a position to can manage the following essential components of the farm:-

- Nature and natural resources of the farm,
- The finance of the farm,
- Marketing,
- Employees and other stakeholders involved in the business, and
- Risk.

Food and Agriculture Organisation (2007) stressed the fact that it is crucially important for the farm management to understand the farm settings which include the farm and its enterprise; the farm and its resources; understanding social capital; and inputs and markets. These would enable the farm management to operate the farm business successfully. However, it must be noted that the farm management must also understand the farm management tools available on the farm in order to execute its activities very well. According to Food and Agriculture Organisation (2007) the farm management tools are constraints and opportunities analysis; gross margin analysis; marketing margins; break-even budgets; sensitivity; food requirements; labour planning; cash flow; and records. The farm management could utilize the farm management tools to analyse and plan all farm management activities especially when used for planning, evaluating and monitoring the production processes of the farm business.

The farm manager is appointed to manage all the farming business activities in order to attain the set objectives. The farm manager is appointed by the beneficiaries or the community through the CPA or Trust or community itself (especially in the case where there is neither CPA nor Trust). The manager reports to the CPA or Trust or Board of Directors (if exists) and as such is an employee, therefore may not make final decisions in some serious matters such as drawing and finalizing the budget. However, he/she may still make decisions on finer issues such as procurement of fertilizers and other inputs, maintenance of farm machinery.

## ii) Importance of farm management

The majority of beneficiaries of the land reform in South Africa have little or no basic farming knowledge and skills that are necessary for commercial farming. The knowledge and skills are apparent in the four basic principles of management, which are planning, organizing, leading, and controlling. Lack of the four basic principles of management makes it difficult for the beneficiaries to manage the farming business successfully. It is therefore important that the beneficiaries should appoint a knowledgeable manager to assist them manage the farm as a business especially commercial farming. The farming business requires a manager who has a vast knowledge in terms of the management of production units, mechanical and building aptitude, purchasing and marketing, manpower, financial, analytic ability, and decision-making (van Reenen and Marais, 1992). According to Food and Agriculture Organisation (2007) the farm management decision making should consider important aspects such as the farmer and decision-making; resources

and farm management; inputs, markets and farm management; risk, vulnerability and sustainability; and information and farm management. Therefore it is important to appoint a farm management that would be in a position to can understand entire process.

However, it must be mentioned that the manager must be able to teach and coach the beneficiaries so that they could be in a position to manage the farm soon after he/she has left the farm. It is not a disputable fact that in most cases the land reform projects did not consider the farming knowledge, skills and experience that the beneficiaries have before or when they are given the land. Some of the communities find it important and necessary to employ knowledgeable and skilful farm managers to assist them to manage the farms on their behalf. However, it does not seem to be so much helpful hence there are more challenges that are being brought than production and growth of the farms. This notion is apparent with Somershoek farm which is situated near Amersfoort in Mpumalanga Province (Monama, 2006).

According to Zvomuya (2005), the farm was bought and handed over to the community (Lephatsoana II Trust) but three years down the line the farm was none operational and none productive. This farm did not survive the same blow that other land reform farms suffered in South Africa – the internal squabbles, fighting, accusations (coupled with blame syndrome) and theft (which are usually signs of lack of commitment, vision, and proper management) which usually lead to the down fall of any business in the world. The outsiders blame the community for letting the farm to fall into ruins while the community blamed the Trust for theft and mismanagement; on the other side the Trust is blaming the managers for being white and sabotaging government's effort and squandering the funds while the managers are blaming the chief for misusing the funds to buy luxurious 4x4s. Zvomuya (2005: 62) reported "Today, it's a ghost farm; its fields overgrown with khaki bush and deep erosion dongas disfiguring its once beautiful landscape. Only two of the five tractors that were handed to the trust together with the land are in working order, as some of the Trust's members helped themselves to machinery parts."

### 2.3.1.3 Strategic Partnership Model

#### a) Definition of strategic partnership

Oxford dictionary (1979) defines *partner* as "person associated with others in business of which he shares risks and profits." This definition is giving a clearer background of most of

the definitions that were given by different authors or writers. However, it also gives a clear background in defining partnership in a farming business situation. According to the Department of Land Affairs (1997: 39), “Private sector initiatives in land reform are partnerships/agreements between recipients of the settlement/Land Acquisition Grant and owners of private business, which broaden the base of land ownership, offer security of tenure and raise incomes of the grantees.” One may define partnership therefore as a way whereby two or more farmers jointly farm together as partners wherein they contribute and share responsibilities, decision-making, resources, and profit or losses (risks). Eweg (2006) defines partnership “as a business entity in which partners or owners share the profits or losses of their investment.” Eweg (2006) went further to suggest a few important key elements should be considered for a successful partnership in farming business, which are also discussed by van Reenen *et al* (1995) as explained below.

- (i) The partnership agreement should be well defined and be in a written form.
- (ii) The contributions of each partner should be well defined and recorded for future reference.
- (iii) The method of remuneration should be clearly defined to avoid confusions and argument when is time to share the profit made or loss incurred.

Partnership is very much important in South Africa due to the land reform that is taking place. Most of the beneficiaries of land reform don’t have farming knowledge, skills or experience; apart from financial and technical support, they need mentoring in a form of partnership that will provide closer and immediate support whenever needed (Author’s perception).

#### b) Importance of strategic partnership

It has been noted that even though some of the few beneficiaries may have basic knowledge on farming, they still need guidance, mentoring, coaching and support. The beneficiaries of the land reform in South Africa have little or no farming knowledge and skills that are necessary for commercial farming. It is therefore important that the beneficiaries should make a joint venture or partnership with knowledgeable partner(s) to assist them to manage the farm as a business especially commercial farming. However, it must be mentioned that the partnership should be managed in accordance with the relevant rules that have set to avoid setbacks that may delay prosperity of the farming business. The partnership must benefit both parties in the venture.

According to Raats (2008) Mr Spencer Drake who owns the plantations and the best modern sawmill in George's Valley at Magoebaskloof in Limpopo Province decided to go for a partnership with the beneficiaries of Magoebaskloof farms. He is sharing his knowledge, skills and expertise with the beneficiaries. Unlike some of the farmers who may stop the business operations after their farms have been put under claims, Mr Drake continued with the good work to expand and grow the business. He was joined by his neighbouring farmer, who has knowledge, skills and vast experience in plantation and sawmills operation and management. Mr Ferrece McGaffen is training and mentoring the beneficiaries who are currently running their own business on timber treatment.

According to Hofstatter (2007) two farmers (Julius Katzke and Mike Scott) who sold their farms to the land reform beneficiaries of Marulaneng at Hoedspruit in Limpopo Province formed a joint venture (Motelele Hoedspruit Land Claim Initiative) with the beneficiaries. These two farmers were representatives of the willing sellers who were also involved in the Black Economic Empowerment wherein their farm workers were involved. Their concern was that production was not supposed to be dropped when the land is sold. Scott was quoted by Hofstatter (2007) whereby he was stating his concern about the possibility of production declination and their plan to involve black members on the Black Economic Empowerment saying "We wanted to sell some of our land to the government for this purpose, but without compromising on agricultural productivity." They helped the community in identifying and registering the beneficiaries and the formation of the Communal Property Association (CPA).

The joint ventures included a pack house and mango atchar processing plant and two mango drying facilities. This type of partnership should be viewed as one of the best models of partnership to be implemented and a wish for all the beneficiaries in South Africa which should serve as an apparent practical lesson to be learnt by land owners whose lands/farms are under claims (Hofstatter, 2007).

Katzke and Scott established a company called Strategic Farm Management (SFM) that later formed a joint venture company with the beneficiaries of Marulaneng Community and name it New Dawn Farming Enterprises. The agreement states that beneficiaries represented by the CPA would get 51% (paid by its government grants) while 47% would be for SFM (paid by) for equipment and farm infrastructure, skills development, and the markets. It further states that 2% will be for the Workers' Trust. The partnership will last

for a period of ten years, after which the CPA will buy them out and run the company as community property (Hofstatter, 2007).

Phillips of Farmers Weekly (2010) reported that Ngcolosi Community at Kranskop in KwaZulu Natal has been given their land back through restitution in 2005 and decided to form the Ngcolosi Community Trust (NCT) to manage its properties. The NCT decided to form a farm management company, Ithuba Agriculture that will generate profit for the community (Phillips, 2010). NCT only received the farm and crops whereby there were no money and implements. The NCT then formed a partnership with Crystal Holdings. It was through this joint venture that NCT managed to set Ithuba Agriculture in motion whereby support from Greytown Agricultural Equipment dealership Mascor (second hand tractors and implements); Agriculture Inputs Supplier Costal Farmers (fertilizers and chemicals); Sugar Company uShukela Milling (transport subsidy); and Timber Marketing Cooperative NCT Forestry, was accessed.

Crystal Holdings withdrew from the partnership after three years to allow NCT to operate on its own. It is interesting to mention that Ithuba Agriculture managed to buy tractors, loaders, labour trucks, bakkies, fire trucks, trucks and trailers (Phillips, 2010). Ithuba Agriculture is planning to expand its production site especially on maize and beef production while diversifying its holdings. The main aim of Ithuba Agriculture is to develop and expand the company so that all beneficiaries and their children could be employed. The employees of Ithuba Agriculture are being developed through training on sugar production, health and occupational safety, and chemicals handling. Phillips (2010) indicated that Ithuba Agriculture is also looking forward to bring about development and improvement at schools, clinics, and sport facilities.

According to Phillips (2010), the general manager of Ithuba Agriculture who is spearheading the development, improvement and production on the Ithuba Agriculture is suggesting the following tips that could bring about success on post-settlement of restitution farms:-

- Partner with proven farming companies;
- Employ experienced farm management team while developing the available staff through training and mentorship;
- Maximise outputs through effective agricultural practices;

- Make use of the experience of the successful land reform farms to set up a new farming ventures; and
- Good record keeping and accounting practices could be used when applying for bridging finance.

#### 2.3.1.4 The Transvaal Suiker Beperk Model: A case study of a successful Strategic Partnership Model

##### a) Strategic Partnership Background

Transvaal Suiker Beperk (TSB) is one of the biggest sugar-producing companies in South Africa. It is situated on the east of Malelane town in the Nkomazi District of Mpumalanga Province. TSB is a big sugar industry which is well known with its sugar brand Selati, named after Selati River that flows down from Mopani District in Limpopo Province to Crocodile River in Mpumalanga Province. Some of its farms (notably sugar cane farms) were part of the biggest restitution claims of Tenbosch in Mpumalanga Province.

The Siphumulele Community (formed Siphumelele Tenbosch Trust) and the Ingwenyama Community (formed Ingwenyama Simhulu Trust) are two of the communities that have benefited from the Tenbosch restitution claim whereby Siphumelele Community has been given 2700 ha while Ingwenyama Community has been given 3700 ha. The two communities realized that they lack proper knowledge and skills as well as management on farming with sugarcane as a commercial farming business, especially on different agricultural aspects such as fertilizers, weed control, irrigation, planting and replanting, disease control, ripening and dry off as well as harvesting of sugarcane. They decided to enter into a partnership agreement with TSB through their Trusts (separately). TSB entered into a partnership with the Trusts through its Agricultural services company known as Shubombo Agricultural Services (Chiyoka, 2009).

Siphumelele Tenbosch Trust (STT) has entered into a partnership agreement with Shubombo Agricultural Services (SAS) in April 2007. Their partnership agreement was clearly defined whereby each partner's contribution is clearly stipulated. STT and SAS have formed an agricultural company called Mgubho Farming Services (MFS) which is responsible for the farm operation on behalf of the community. According to the agreement STT and SAS have each contributed 50% membership towards the formation of the MFS.

Ingwenyama Simhulu Trust (IST) has entered into a partnership agreement with SAS in April 2007. Their partnership agreement was clearly defined whereby each partner's contribution is clearly mentioned. IST and SAS have formed an agricultural company called Libuyile Farming Services (LFS) which is responsible for the farm operation on behalf of the community. According to the agreement IST and SAS have each contributed 50% membership towards the formation of the LFS.



## CHAPTER 3

### METHODOLOGY

#### 3.1. INTRODUCTION

The Chief Land Claims Commission requested the South African Development Community (SADC) for Land – Related, Regional and Development Law and Policy of the University of Pretoria to develop an operational strategy aimed at coordinating the actions of various role-players over the lifetime of a claim.

The strategy is based on information provided by among others:-

- the Nkumbuleni and Mashishimale beneficiary communities,
- NAFU,
- AgriSA,
- Department of Land Affairs(now Department of Rural Development and Land Reform)
- Chief Land Claims Commission,
- KZN Regional Land Claims Commission,
- Limpopo Regional Land Claims Commission,
- Centre for Poverty Studies of the University of New Brunswick, Canada, and Development Businesses,
- A variety of the public and private organizations which are passionate about seeing success in land reform (SRS-SA – CRLR Report, 2010: xi).

This led to the implementation of the Sustainable Restitution Support – South Africa (SRS-SA) program which was started in 2007 and ended at the end of 2009 (see Box 2 – objectives to be achieved by SRS-SA Program).

#### 3.2. DATA COLLECTION

##### 3.2.1. Definition of qualitative research method

Qualitative research method was used to collect data from the two areas of study namely Mahiahimale and Nkumbuleni communities. Qualitative research method is an explicit description of data collection and analysis, procedures, which is more narrative and applies inductive logical reasoning (McMillan and Schumacher, 2006). The researcher used both interactive and non-interactive types of qualitative research method to collect data from the relevant stakeholders. Interactive is a face to face technique used to collect data from people in their natural settings, e.g. case study and ethnography such as interviews and observations. Non-interactive is a technique used to identify concepts, study and synthesize data to provide an understanding of the concepts that may or may

not have been directly observable (McMillan and Schumacher, 2006). The qualitative research method was used because the researcher was not using statistics or data that may require statistical analysis. According to Neuman (2000) the qualitative research reports does not always include tables and numbers, but maps or diagrams as well as photographs to illustrate the relationship of ideas. Therefore interpretation of data by giving them meaning, translating and making understandable essential. The qualitative research method was used because the researcher was not using statistics or data that may require statistical analysis.

### 3.2.2. Procedures followed

A questionnaire was drawn and be presented to a research team for control purposes. This assisted the researchers to check relevancy and avoid duplication of the questions during interviews. However, questionnaires were not given to the stakeholders for completion, but in lieu, they (questionnaires) were used to guide researchers when asking questions.

The data was collect through semi-structured interviews and the meetings with the representatives of the Community Property Association; Community Trust; Beneficiaries (community members); The Tribal Authorities (Chieftaincy); Regional Land Claim Commission; Department of Land Affairs; Department of Agriculture (provincial level); Women Clubs; Consultants and other institutions. The meetings were organized through University of Pretoria and few were arranged by the researcher (especially one on one meeting), while some were organized by Community Property Association or Community Trust where they were giving feedback or reports to the beneficiaries.

Secondary data was collected from baseline study conducted by SRS-SA. The baseline study gave more background information in terms of the area of study. The background information included demographic profile of the beneficiaries, their social life, economic activities, and agricultural activities as well as experience, preferences and land use.

A case study was conducted with TSB to gain more understanding on the concepts that made their partnership to be successful in restitution. The case study concentrated on the aspects considered for the formation of partnership, communication strategy, government involvement, challenges, and pillars of success, benefits and profit sharing, support and mentorship as well as capacity building especially of the beneficiaries.

### 3.2.3. Limitations of research method techniques

#### a) Group interviews

- The replies may be unconsciously or otherwise influenced by those with strong opinions. It is therefore advisable to discourage discussion during interviews for a better independent judgement to be made.
- The people attending a particular meeting are seldom representative of the entire group.
- The questionnaire used for group interviewing is usually short and therefore can cover only limited field of study (University of Pretoria, 2008).
- Neuman (2000) went further to indicate that comparative research has limitations that should be taken into consideration, namely:
  - The number of cases,
  - Researcher can apply theory and make only limited generalization,
  - It can be more difficult, costly and more time consuming.

#### b) Case studies

- Case studies may give particularized data, they may emphasize the unique.
- They may provide data on only 1 or 2 aspects of a problem, and not on all relevant aspects.
- A case study is only one case; unwarranted generalizations may be made.
- They are time consuming and require training and experience in observing, recording and writing (University of Pretoria, 2008).

#### c) Observations

- The observer may use his own values – attribute importance to what he thinks is significant. Therefore there is a need to develop an objective check sheet as a preventative measure (University of Pretoria, 2008).

### 3.3. MEETINGS ON THE FARMS

The initial meetings planned by SRS-SA team that were held with the communities of both Mashishimale and Nkumbuleni were to gather information about the communities' backgrounds; information related to processes and procedures that they (communities) followed when they were lodging land claims (as beneficiaries); information about the development and progress made on the farming business and other related issues were discussed; the plans that the beneficiaries have about the future use of the claimed lands. The meetings were attended by the stakeholders including the Tribal Authorities, Regional

Land Claims Commission, Government departments and other relevant organizations for agricultural development and members of the SRS-SA team.

#### 3.4. INTERVIEWS WITH STAKEHOLDERS' REPRESENTATIVES

The interviews were held with the individual communities' representatives and other stakeholders as well as other focus groups that include:-

- The Tribal Authorities (Chieftaincy);
- Community Property Association and Community Trust;
- Regional Land Claim Commission;
- Department of Land Affairs;
- Department of Agriculture (provincial level);
- Consultants and other institutions.

The information gathered was to determine the possible support services that various organizations were rendering to the beneficiaries of land claims as well as ways that different organizations, government structures and other agricultural organizations may support the communities.

#### 3.5. THE BASELINE STUDY (SUSTAINABLE RESTITUTION SUPPORT – SOUTH AFRICA)

The Sustainable Restitution Support – South Africa (SRS-SA) team members visited the Mashishimale Community and Nkumbuleni Community on several occasions to study and collect data related to the specific land reform project. Beneficiaries of Mashishimale and Nkumbuleni as well as other stakeholders were met by the SRS-SA team members whereby discussions were held. The stakeholders met include:-

- Community Based Organizations,
- Government representative (RLCC),
- Non-Governmental Organizations,
- Farmers Unions/organizations,
- Tribal Authorities,
- Business Groups,
- Youth, and
- Women groups

The aims of the meetings with the different stakeholders was to identify their problems, wishes, objectives, needs, aspirations, possible challenges and support to be rendered by different support groups. Specific meetings were also arranged with the Farm Managers from Mashishimale and the Strategic Partner from Nkumbuleni community. A specific

baseline study was executed by the Department of Sociology at the University of Pretoria in the two communities (Mashishimale and Nkumbuleni).

Box 2

The 2007-2009 SRS-SA Program has the following objectives to achieve:

- To contribute to and give effect to other post-settlement support models;
- To create a replicable delivery model to ensure the sustainable settlement of land restitution beneficiaries;
- To access the areas that need to be addressed for the successful provisioning of pre- and post-settlement support services;
- To do an audit of government officials in the three areas on their capacity to manage and coordinate services for restitution beneficiaries;
- To provide skills development and training for CPA and/or Trust members;
- To do an audit on the current land use and potential future uses;
- To provide a comprehensive business plan based on the capacity and requirements of the community and the capacity of the farm;
- To link the communities with the correct departments; and
- To upgrade the 2006 Operational framework so that it would represent a tested model for the provision of pre- and post-settlement support activities, not only for restitution, but also so that it will be adaptable to serve as a model for other land reform programmes, such as redistribution and tenure reform (SRS-SA-CRLR Report, 2010).

### 3.6. STATISTICAL ANALYSIS

There are no statistical analyses done because the data was collected by means of individual as well as focus group interviews with the communities or their representatives specially included in the farming operations. The collected data was transformed into beneficiaries' information through interpretation and mapping. This study gives specific attention to the farming activities and after care services to the land reform beneficiaries of the two communities namely Mashishimale and Nkhumbuleni.

## CHAPTER 4

### BACKGROUND INFORMATION TO THE STUDY AREA: THE BASELINE STUDY

#### 4.1. MASHISHIMALE COMMUNITY

##### 4.1.1. Introduction

According to the Baseline Study conducted by the Sociology Department at the University of Pretoria and SRS-SA team members (UP and SRS-SA, 2008), The Mashishimale Community, a local community (who are Sepedi speaking people) occupies the Mashishimale Village that is formed by Ba-Phalaborwa in Limpopo Province.

Mashishimale Village constitutes Ward 12 of the Ba-Phalaborwa Local Municipality which is one of the five local municipalities constituting Mopany District Municipality in the North-East of Limpopo Province. The village is approximately twenty kilometres from Phalaborwa town which was established in 1950 and it is adjacent to the most popular internationally known Kruger National Park. It is clearly located on the turn off of R71 road to Bashai Ditlou community (UP and SRS-SA, 2008).

The village is divided into three settlements which are R1, R2 and R3. R1 settlement was established after the bulk of their land was dispossessed in 1913. The R2 settlement is a subsequent settlement which was a development section that followed R1 while R3 settlement is the most current development of the village and it is closer to the main road. Settlements R2 and R3 are attached to each other while settlement R1 is apparently separated from the two settlements by the Selati River. R1 is the oldest and largest settlement of the Mashishimale village. On the eastern border of Mashishimale is Namakgale location which could be reached by gravel road from Mashishimale. However, between Mashishimale and Namakgale is Makushane location which happened to separate Mashishimale and Namakgale. The most important services such as health and police are found in Namakgale (UP and SRS-SA, 2008).

##### 4.1.2. Demographic profile

According to Census 2001 as been quoted by SRS-SA in its baseline survey report (2008), Mashishimale Community had 2 745 households with a population of 12 391 (it includes also members that were not part of the claim). Predominantly, people of Mashishimale were born in the Limpopo Province and as such they regard Mashishimale as their place of birth.

The age structure of the Mashishimale Community displays the youthful characteristic hence it has many young people of approximately 79% with majority of the group still going to school (notably those that are at the age of less than 20 years old). The oldest person in the population of Mashishimale is 102 years old. The median age of 22 in Mashishimale slightly compares to the median age of South Africa which is 23.6 (Census 2001 as quoted by SRS-SA, 2008). There are more females than males in the population across all the age groups (UP and SRS-SA, 2008).

Mashishimale Community is predominantly a Sepedi speaking community, which is also their mother tongue. isiXitsonga is spoken by many people but lesser than Sepedi. However, there are other African languages such as isiZulu, Setswana and Sesotho used in the community at a lesser degree. The main languages used at school are Sepedi, English and Afrikaans. It has been noted that most of the elderly people prefer Afrikaans to English which is the opposite of the young people in the community.

The majority (75.3%) of the older people (64<sup>+</sup> years of age) or generation did not attend school at all, while only 2.1% completed secondary education and no one has tertiary education. Most people in the community who completed secondary education are in the middle aged group, i.e. 20 – 39 years. According to the study conducted in 2008 by SRS-SA, approximately 72.5% of the community has attended secondary education and 12.4% attended tertiary education (UP and SRS-SA, 2008).

#### 4.1.3. Social life

Most (94.4% on average) of the Mashishimale residents live at home and only few live away from home, which might be caused by work or education related matters. The sizes of households range between 1 – 18 members with many households have been nuclear families comprising of married couples or cohabitating partnerships with their children and other extended family members. There are very few households that are having single parents, and it has been noted that majority of the households are kin families (UP and SRS-SA, 2008).

The youngest head of the household recorded was 18 years old and the oldest was 101 years old. Most (60.7%) of the households are headed by males; however, there are more female household heads in the R1 settlement than other settlements (R2 and R3). There are many females heading the households who never married than males, while on the other hand there are many males heading the households who are married. The

community is characterised by very few separation or divorced males heading the households. Generally, the females who are likely to head the households are single and male are married.

Each household is responsible for the construction of its own homestead from cement and bricks. Approximately a half (49.6%) of the households has more than one structure in the stands. The structures are quite different from one homestead to the other even though some might be slightly same. The structures range from a singled room unit to a double storey house and they are constructed in accordance with each household's affordability. The wealthier have used face bricks to construct their homestead structures and some are nicely painted. It could be noticed that there are some that have accessed the Reconstruction and Development Program (RDP) houses while there are yet few that have traditional dwelling huts (UP and SRS-SA, 2008).

Most (96%) of the households in Mashishimale are connected to the electricity grid with a pre-paid meter system and rely on it as a source of energy for heating, cooking and lighting. However there are still a few households that have no access to electricity and as such they rely on firewood or paraffin for heating and cooking, and candle for lighting.

In Mashishimale, households manage their own waste by having their own waste dumps while some burn them. Approximately 77% of the homesteads have pit latrines to dispose the human sewerage. A very small portion of the community has flush toilets, however, it must be noted that there are some who don't have either a pit latrine or flush toilet. They rely on the neighbour or else use communal facilities or they use the veldt (UP and SRS-SA, 2008).

Approximately 77% of the households in the community have access to water piped onto their homestead (UP and SRS-SA, 2008). However it must be indicated that there are those few who are still using river water, dams or rain water, which may impose a very serious health risk to the community.

#### 4.1.4. Economic activities

Approximately 66% of the Mashishimale community households earn less than R2001 a month. The most common source of income for most of the households is social grant with 72% being for the child support grant, 19% for old age and 5% for disability (UP and SRS-SA, 2008). The average percent of the people receiving social grants is double the



number of people earning the salaries. The people of Mashishimale like in other rural areas rely on credits that they access from their next of kin.

There are few people (19.3%) who have vehicles and 24.3% have bicycles, which implies that there are slightly more people who are still using bicycles than vehicles in the community. There are only a few households (1.1%) that have landline telephones, which could not compare with the cell phones that are standing at 82.8%. It has been reported that the majority of the households spend their income on food (34.4%) and education (14.0%) which were followed by clothing (13.8%) and purchase instalments (12.3%) as compared to other commodities such as water (0.2%) and cell/telephones (2.6%) and others that are less than 10% (UP and SRS-SA, 2008).

#### 4.1.5. Agricultural activities

It has been reported that 56.2% of the households plant crops which are either cultivated in the stand or small plot. It has been noted that most households in the R3 settlement cultivate crops in their residential stands. Maize is the most important crop planted with a range of vegetables. Generally most households have planted fruit trees on their stands. It has been mentioned that those who don't cultivate crops are claiming that they don't have sufficient capital to support them (to purchase seeds, fertilizers coupled with poor fencing). The majority of the households in the three settlements, namely R1 – 39.7%; R2 – 48.2%, and R3 – 39% own livestock that include poultry, cattle, goats, sheep, pigs, horses and donkeys. A total of 76.5% households would prefer to sell their produce within the community, even though the purpose was to produce for household consumption (UP and SRS-SA, 2008).

#### 4.1.6. Agricultural experience, preferences and land usage

According to the Baseline study (UP and SRS-SA, 2008) 70% households at Mashishimale practise subsistence farming to provide food for their family members. Some of the adults (21%) were previously involved as farm labourers on commercial farms whereby they had gained experience in cultivating crops and tending animals. The community requires training in agriculture especially in livestock and crop production. It has been noted that 39.1% adults would like to use the land for commercial farming followed by land for grazing for their livestock and owning of small plots that may be used for building houses or cultivating crops (UP and SRS-SA, 2008).

## 4.2. NKUMBULENI COMMUNITY

### 4.2.1. Introduction

The Mophela Community forms Greater Mophela that could be divided into Sankontshe and Mophela proper. The Sankontshe area is more densely populated than Mophela proper area. Greater Mophela is located in the outer west flack of Metropolitan municipality and it falls under eThekweni Municipality. Its nearest towns are Pietermaritzburg and Durban in KwaZulu Natal Province (UP and SRS-SA, 2008). The three families which are Mali, Ndlovu and Zungu, were previously forming part of Embo Tribal Authority settled in Ithala Ngomankulu Valley before force removal. When lodging their individual claims the RLCC recommended that they should lodge only one claim together. They then decided to come together when lodging their land claim and named it Nkumbuleni, which is a Zulu word that means “*The place packed with many people.*”

### 4.2.2. Demographic profile

Greater Mophela has approximately 7 156 households with a total population of 34 122 (Census 2001) and it is a fast growing community. Majority of the population was born in KwaZulu Natal Province and as such almost all can speak isiZulu whereby in most households it is used as their mother tongue, in some instances there are households that speak in either English or Afrikaans (UP and SRS-SA, 2008).

The Mophela Community is a youthful population with approximately 76% youth and middle aged group, i.e. 20 – 39 years old. The oldest age that was recorded at the Mophela community was 100 years. The median age of the community was 23 which maps very well with the South African population median age of 23.6 (Census 2001) as quoted by SRS-SA in their survey of 2008. Mophela has a larger female than male population with 55% being females and 45% being males (UP and SRS-SA, 2008).

Mophela is a community that is characterised by children and youth who are attending school as well as the adults who are still furthering their studies. It has been noted that the old generation did not have any formal education at all. According to the survey conducted by SRS-SA (UP and SRS-SA, 2008) approximately one-third of the households of the total of those who attended school, especially at primary level received their education in isiZulu and English but isiZulu has dropped slightly when they went to secondary level. The level of proficiency in numeracy is more or less the same as the languages (UP and SRS-SA, 2008).

#### 4.2.3. Social life

According to the survey conducted by SRS-SA (UP and SRS-SA, 2008) 94.3% of the members of the Greater Mophela live at home and only few are living away from home. This might be because of work or education related matters. It has been reckoned that there are more males that are living away from home than females. The recorded household size ranges from 1 – 13 members per household. According to the survey (UP and SRS-SA, 2008), approximately a quarter of the households was either a nuclear family or a single-parent family. It was reported that more than a quarter of the households in the community comprise of two generations, which might be the result of extended kinship descendants.

Most (55.9%) of the households are headed by people who are between 40 – 64 years of age. It was reported that very few household heads are only 18 years old while there are some who are as old as 100 years. Generally more households are headed by females (60.8%) than males (39.2%) (SRS-SA, 2008). It was noted that there are more married males (62.8%) who are heads of households than females (22.3%) and about 25% of the heads of households didn't go to school at all (UP and SRS-SA, 2008).

The households are and have been responsible for building their own homesteads structures. Slightly less than a half (47%) of the structures have been constructed from bricks and cement while there are some (28%) that have been constructed traditionally (wattle and daub with thatch roofing) and some (20%) with prefabricated materials and corrugated irons. The average number of structures per homestead is 2.57 which imply that households have more than one structure even though they are not all used for housing.

It has been reported that approximately 90% of the households have electricity in their homesteads. It was noted that even though most of the dwelling structures have electricity grid, but not all the structures per homestead are electrified. The households that have electricity are using it for heating, cooking and lighting; some (39.2%) of the households prefer to use firewood for heating and cooking while some (18%) use paraffin for heating, cooking and lighting, and there are still many households (60.1%) that are using candle for lighting (UP and SRS-SA, 2008).

The Greater Mophela community has various ways of removing the refuse from their homesteads. There is approximately 48.6% of the households using their own refuse

dump on their stands to dispose the refuse while there are a few who are relying on the municipality to remove the refuse; and some also mentioned that they dispose their refuse by burning.

More than 90% of Greater Mophela community use pit latrines for human sewerage and very few are using other types such as flush toilets. There are 68.2% households that have access to piped and tapped water on their stands, while 8.7% still collect water outside their stands and 19.2% who collect from other sources such as spring water, pool, rainwater tank, water vendor and other sources (UP and SRS-SA, 2008). The land tenure in Greater Mophela is controlled by the Local Tribal Authority and they are held in a trust form.

#### 4.2.4. Economic activities

According to the survey conducted by the Sociology Department at the University of Pretoria, the income of the Greater Mophela households ranges from R70 to R14 000 per month with an average of R1 464 per month. The community depends more on the social grants from government as its main source of income. More than 50% of the grants are for the children support while the rest is for old pension and disability. People of greater Mophela believe in the kinship and banks to provide them with financial credit. The households spend money buying food and clothing and servicing their debts. Almost all households have cell phones and very few have vehicles (UP and SRS-SA, 2008).

#### 4.2.5. Agricultural activities

Approximately 78% of the Greater Mophela households are engaged in agricultural activities whereby they cultivate maize and vegetable while some are tending livestock. It was noted that some of the households that are not cultivating any crops are giving reasons such as lack of capital (11%) and shortage of seeds (19%) and labour (14%) while some (8.8%) are complaining about poor fencing. Most of the households have livestock that include poultry (55%), goats (48%) and cattle (28%); which implies that there are more households with poultry than any other livestock in the community. By and large, the households consume their agricultural produce, but very few might consider selling the surplus within the community if available (UP and SRS-SA, 2008).

#### 4.2.6. Agricultural experience, preferences and land usage

The Greater Mophela households (approximately more than 50%) have basic agricultural experience in cultivating crops and some are farming with livestock, while 33.3% households have acquired experience in commercial farming (UP and SRS-SA, 2008).

The community requires training on agriculture and computer literacy and other fields such as security and health. However it was reported that training on livestock farming came first on their training needs followed by crop production and farm management.

The community would prefer that the land be used for commercial crop farming which is slightly confusing when considering their preference in terms of training needs whereby they preferred livestock to crop.

## CHAPTER 5

### THE MASHISHIMALE COMMUNAL PROPERTY ASSOCIATION – FARM MANAGEMENT MODEL

#### 5.1. INTRODUCTION

The following findings were collected by means of observations, meetings with focus groups and individuals involved in the farm management activities of Mashishimale Community, which has benefited from the Land Reform Program through restitution.

The members of the Mashishimale Community are the original dispossessed, direct descendants to the dispossessed, and those people who came to join the Mashishimale Community after dispossession of the forefathers' land. Their land was dispossessed before June 1913 by the former Apartheid regime. They occupied the land between the Mashishimale Mountains on the South and Mulate Spruit. Their Western boarder was a series of hills stretching southwards from Kasteelkoppies up to Mashishimale Mountains. The East was bordered by the Ba-Phalaborwa Ba-Ga-Makhushane Tribe. Their Southern neighbours were Ba-Phalaborwa Ba-Ga-Maseke Tribe (UP and SRS-SA, 2008).

No compensation was determined and received by Mashishimale community when they were removed from their land. They lost their grazing land, hunting and burial rights during the forced removal from their land. The claimants were allocated a small portion Mashishimale location 800LT for residential purpose as the land released to them.

They lodged their claim in 1996 through the Land Claim Committee. The land claim was published in the Government Gazette no. 23274 on the 5<sup>th</sup> April 2002 as notice 501. The LCC was assisted by the Swaranang Management Consulting CC that has also assisted them in the verification of their portions in 2003. The verification included the areas where rituals at the ancestral graves took place, and where traditional ceremonies, social and cultural activities were conducted. The Community Property Association (CPA) was established in 2004 which consisted of the same members as those who were serving in the LCC. The community has 1885 households with 9449 beneficiaries which opted for the restoration of land rather than selling (UP and SRS-SA, 2008).

The present owners were willing to sell the land (farms and portions) to the government (willing buyer-willing seller principle). The land was bought at approximately R148 620 000.00.

The Surveyor General' office divided the Mashishimale land into farms and portions that were done according to the new demarcations. The following are the farms and portions of the Mashishimale land:-

Table 5.1: Farms and Portions of Mashishimale community

<b>Farm/Portion</b>	<b>Size (ha)</b>
Hope 149 KT	2904.25
Bosbok 793 LT	856.54
Bosbok 783 LT	983.29
Brook 772 LT	506.73
Ziek 771 LT	1149.32
Breakfast 773LT	479.12
Brand 798 LT	2141.58
Ram 799 LT	2655.91
Glip 797 LT	1888.36
Punt 151 KT	2788.09
<b>Total</b>	<b>16 353.19ha</b>

## 5.2. MEETING WITH THE MASHISHIMALE CPA DELEGATION

### Structure of CPA

#### i) Introduction and structure of the CPA

According to White Paper on South African Land Policy, a CPA could be defined as, “Legal body through which members of disadvantaged and poor communities may collectively acquire, hold and manage property in terms of a written constitution” (Department of Land Affairs, 1997: 51). This legal body is entrusted to hold and manage the land or properties of the groups of people or communities on their behalves. The CPA must draw up the constitution which will help to provide good governance and management of the properties. Department of Land Affairs monitors the role and progress made by the CPA after it has been registered with RLCC. The Mashishimale CPA was formed in 2004 and its structure comprises of the following positions:-

- Chairperson;
- Deputy Chairperson;
- Secretary;

- Deputy Secretary;
- Treasurer;
- Three (3) Additional members;
- Two (2) Ex-officio members (TA member and the Chief).

ii) Responsibilities of the CPA

- Manage all the properties of the communities that have been given to it through restitution.
- Manage the finance and prepare all the necessary reports which include financial and progress reports.
- Continue with claiming of the remaining lands, still outstanding.
- Arrange and organise community meetings and meetings with other stakeholders.
- Represent the community in all other meetings called by other stakeholders.
- Manage all the projects on behalf of the community and report any progress made and challenges that the CPA might envisage.
- It is the decision making body, but it always consult the community for a new mandate.
- To create jobs.
- It serves as a link between the community and other stakeholders.
- Appointment of knowledgeable, skilful and experienced CEO and farm managers.
- Establish a Finance Committee and two (2) steering committees, one for Game farming and one for the Citrus farm.

iii) The success of the CPA

- The salvaging of the falling citrus farm by appointing a knowledgeable farm manager who successfully brought the farm to its normal production state. The farm manager together with the steering committee is a pillar of strength and success for the farm and the association.
- The Game Ranch (known as Croc Ranch) was on the brink of closure when the CPA appointed a skilful manager to revive it and started to make an income.
- Due to lack of financial support or resources, the CPA made a production loan from an Exporters Association while waiting for the grant from government.
- The communication channels and cooperation with the community is smooth and it is bringing about strong support and trust among all role players.
- The working relationship with the TA, RLCC and Mashishimale community is a sign of success.



- iv. The challenges and problems identified or experienced after settlement
- The former land owner moved out of the farm without notice, but surprisingly the commissioner was informed about the departure of the former owner. The farm was months without maintenance for approximately three (3) months.
  - There were no fertilizers and the pumps were not working, which implies that irrigation could not take place for quite some time. The citrus farm was neglected for about three months, which implies that the spraying program was completely disturbed.
  - Due to his silent departure, the lodge was without a manager or workers, i.e. is not operational which implies that the CPA lost profit.
  - Workers were not paid their monthly salaries because there was no money at all.
  - The community cattle owners (farmers) wanted a piece of land for grazing and herbalists wanted permission to enter the farm to collect medicinal plants for their medicines.
  - About 33% of the claim is still not yet settled.
  - It should be noted that this model need direct financial injection as soon as possible so that the business could start operating. However, the post settlement payment is delaying and as such affecting the operational program of the project.
  - The CPA members did not receive any training on farm management aspects.
- v. Financial management and support
- There is a Steering Committee which is responsible for the finances and to report to the CPA.
  - The CEO keeps all financial records of all purchases and payments, but yet there is no actual financial system in place.
  - The CPA is not prepared to sign any documents and also to stand for any surety for financial loans. Due to frustration, the CEO and Game Ranch farm manager have stand for surety for the loans in their private capacity. This is unbearable situation and needs urgent attention.
- vi. Interim Business Plan
- The CPA has drawn an interim business plan with the assistance of the Project facilitator/coordinator and Agricultural specialists from University of Pretoria.
  - A very knowledgeable and skilful farm manager was recruited to manage the citrus farm. Farm manager is part of the CPA and Farm steering committee which steering committee meets regularly.

- Capital investment for Croc Ranch needs in order to operate effectively is estimated at R4 160 000.00.

### 5.3. MEETING WITH COMMUNITY STAKEHOLDERS AND STRUCTURES (THEIR ROLE, NEEDS AND EXPECTATIONS)

#### a) Meeting with the Tribal Authority (Chief and the Council)

- They helped to lodge the land claim;
- The Chief help to transport committee members to meetings and different places for verification; and
- Encouraging community and business people to make financial contributions in the community (1998). The contributions were to assist and enable the LCC to visit different important areas to gather information.

#### b) Meeting with business people (women)

- There is a group of people in the community that is going all the way out to make a living out of businesses. However, they have a problem of selling the same products within the community where they stay, which implies that they are competing against one another.
- The women and men making handcrafts need urgent support for the establishment of a site at the entrance gate to the Kruger National Park wherein they could be given a proper business exposure. The current site is completely in the wrong place and not accessible to the tourists. It is closed during weekends and public holidays, which is the correct time or period for them to can do their business very well hence there is likelihood that tourists will be visiting the site.
- These entrepreneurs have products and there is viable market wherein they can sell their products. It is notable that one of the ladies who attended a meeting with us, happened to bring some of her handcrafts with her and she sold all of them to the people who attended the meeting.
- They use social grants to buy materials and other products to either make handcrafts or to resell them to their fellow community members.
- The Parks Board should be requested support them as they support communities next to the Numbi gate at the south of the Park.

#### c) Meeting with community elders

- The community elders were crucial in the identification of the significant areas; and
- They also help in the formation of the family trees.

- d) Meeting with religious people
- It was noted that there was only one church member who attended the meeting. He indicated that it was very difficult to raise funds within the community which is already in the deep end of poverty.
- e) Meeting with social clubs
- The social clubs include the Burial Societies which are cultural aspects wherein people who belong to the Society are being supported during the time of funeral with funds and burial ceremonies. Even though burial societies are community social structures, they are not linked with the religious structures such as churches or church activities.
  - One of the social clubs is a *Stokvel* society wherein members of that society contribute R100.00 as a monthly subscription. The contributions are given to one member a month and another member the following month, and it will continue like that until all members have received the contributions and then start all over again.
  - Sometimes the money is put together until the end of the year whereby they will buy groceries from one shop and negotiate for better prices (enabling them to buy too many products) in cash. They will then share the groceries among all members of the society.
- f) Meeting with traditional healers
- The traditional healers made it clear that they want access to the farms to collect medicinal plants (muti), because there were no more plants available where they stay. The shortage of medicinal plants is forcing them to go to Mozambique to collect plants, which is expensive for them.
  - Apart from collection of medicinal plants from the farms, traditional healers would like to perform rituals for their ancestors who were buried in those farms.
  - The traditional healers indicated that they are registered, but they have contact with the Department of Environmental Affairs and Parks Board to collect medicinal plants from certain areas even though they experience transport problems.
  - It must be noted that medicines can only be prepared on an open wood fire not electrical or gas stoves, and as such there is also a need to have access to fire wood from the farms.
  - As a group they are interested to grow medicinal plants in a nursery and it is important to request the Agricultural Research Council (ARC) to come on board to support them as well as Parks Board and Department of Environmental Affairs.

g) Meeting with cattle owners

- They need the land for ploughing and plant crops which they will feed their families. Some indicated that they need the land for grazing for their animals (cattle, goats, sheep, etc.). The Farmer group also indicated that they need access to the farms whence the area where the community stay is completely overgrazed by cattle and goats as well as other animals such as donkeys and others.
- There is no grazing management system in place and there are no fences that could help them to control grazing of animals.

5.4. MEETING WITH THE PROJECT FACILITATOR/COORDINATOR

SRS-SA appointed Womiwu Rural Development which in turn appointed an independent consultant as a Project facilitator/Coordinator to assist the CPA. He was coordinating the project functions such as training (capacity building on governance, management and finance), building and maintaining good working relationship with the stakeholders.

i) Profile of the Project facilitator/Coordinator

- Agriculturally educated with farming experience.
- A person with trainer/mentor knowledge and experience.
- An experienced person with skills to work with people.

ii) Specific role and functions

- The Project Facilitator/Coordinator became part of the project by being an independent person to make a difference, render support to the project and make it successful.
- To coordinate all the SRS-SA activities.

The following were the functions of the project facilitator/coordinator:

Box 3

- Assist in information gathering for the long term community strategic plan;
- Assist in information dissemination within the community as determined by the provincial coordinator concerned in consultation with the relevant Land Claim Committee;
- Compiled an inventory of current and past plans and documents that had been developed for economic development activities for the relevant communities;
- Drafted a monthly work plan (objectives, activities, deliverables and time frames);
- Liaise with local structures;
- Engage with structures on issues of concern with the community;
- Engage with claimants who were awaiting restoration of their land rights;
- Identified and compiled database of various community projects and individual

businesses;

- Conduct and compiled a community skills audit and database;
- Assist the community members in developing and applying for grants for the projects;
- Work with other community coordinators to determine the needs of the community with regard to the land the community received or would receive through the restitution;
- Work with other community coordinators to draft a detailed community profile;
- Assist in drafting and developing a proposed land development plan;
- Facilitate capacity building and training workshops for the beneficiaries; and
- Monitor and evaluate the progress made through the duration of the programme as well as at the closing phase of the programme.

iii) Observations made by the Project Facilitator/Coordinator

- The community is aware of what is happening on the farm.
- The community identified other needs that need to be addressed by the CPA which are grazing for the cattle farmers, nursery for traditional healers.
- The role of the Chief in the CPA should not be underestimated.
- The RLCC did not really do what was expected and promised the community through the CPA hence they were always giving excuses.
- The financial challenges of the CPA were not addressed.

iv) Lessons learnt by the Project Facilitator/Coordinator

The project coordinator helps in project implementation and renders support to the CPA. He assisted the CPA to develop good governance structure and the long term business plan. However, the following have been learnt by the project coordinator during his stay with the CPA and Mashishimale community:-

- The Regional Land Claim Commission made promises and expectations that seldom fulfil.
- Community members have divergent views and perspectives on land use which must be catered for accordingly.
- The aims and objectives of each project must be communicated properly to the community.
- There is no feedback from government officials or structures to the broader communities, which leaves the communities in the dark about any possible development.
- Not all the deliverables are attainable; it is therefore advisable to be flexible.
- The model that the Mashishimale community is using is replicable; it could be used at other places.

- The beneficiaries have insufficient funds or no funds to cater for farming activities and yet they do not have farm expertise in respect of professional farm management.

## 5.5. MEETING WITH CHIEF EXECUTIVE OFFICER AND FARM MANAGERS

### 5.5.1. The Chief Executive Officer (CEO)

#### i) Management responsibilities

- The CEO is the senior manager of the entire Mashishimale farm business. All managers of different sections such as Mogotle Citrus, Game Ranch and Ngulube Lodge report to him.
- He is responsible for ensuring good financial management of the entire farm business and as such to keep all purchasing, payments and all other financial transaction records.

#### ii) Identified problem areas

- The CEO does not have a job description. This makes it difficult for him to execute his functions properly.
- The CEO does not have specific meeting schedule or plan with his managers. This encourages ad hoc meetings.
- Even though the CEO is responsible for keeping records of all financial transactions records, currently there is no actual financial system in place.
- The CPA is not prepared to sign documents and stand surety for financial loans. This situation has forced the CEO together with the Game farm manager to stand surety for the loans on their private capacity.

#### iii) Recommendations by the CEO

- The development of job description demands urgent attention and it should include human resource development program for all three managers.
- CPA should attend to situation wherein the CEO and Game farm manager stand for the loans of the Mashishimale farm business on their private capacity as soon as possible. This is not the responsibility of the workers or managers but the CPA.
- CEO and managers are experiencing a very serious challenge and pressure when requesting for funds from CPA, hence the CPA does not want to release funds.
- The CEO and the managers unanimously indicated that CPA members need to be trained on the basic principles of all business activities on the farm, viz.: citrus production, lodge management, and game farming.

### 5.5.2. The Game Ranch Manager

#### i) Management responsibilities

- The Game Ranch manager was a CPA member but resigned when he was appointed as Game Ranch manager in 2008. He does not have any previous experience in terms of game farming. However his willingness and commitment to the business is his drive.
- There are 27 staff members under his supervision. The manager meets with the staff members once a week wherein tasks, problems or challenges are discussed and decisions are made.
- The managers report directly to the CEO. They meet often but there is no specific meeting program or schedule. The management of the farm business meet regularly with the Steering Committee (Finance) of the CPA.
- The Game Ranch manager attended an intensive six weeks Veld Rangers Training program in the Kruger National Park which he completed successfully while other trainees who were 25 years younger than him quit the program. He was nominated as the best trainee.
- CPA meets with the community on quarterly basis. The meetings are well attended whereby the young people form part of the meetings. The community is very supportive to the Game Ranch but yet they want to see progress. They have established a Development Committee which will be responsible for development aspects specifically for the development of the youth in terms of training skills development in the community.

#### ii) Identified problem areas

- The manager feels that meetings with CPA are frustrating especially with finance hence the decisions making is very slow and the committee members has very little knowledge about the farming business.
- Staff members (like other managers and the CEO) do not have job descriptions though each member has a specific task to carry out on daily basis.
- The casual workers received a salary which is below the minimum wage as described in the Labour Act.

#### iii) Recommendations by the Game Ranch Manager

- The development of job descriptions and human resource development programs are essential.

- Although the farming activities and operations are successfully executed, it is recommended to implement a structured meeting program between the CEO and two managers.
- There is need to establish a nursery to grow medicinal plants for the traditional healers in the community and for the selling of these plants to traditional healers from other communities. This needs urgent attention as traditional healers are requesting and demanding access to the game farm to collect medicinal plants which could lead to the total destroy of the environment.
- The large number of women and men who are making hand crafts, artistic ornaments and curio need a place or shop to sell their products. SANPARKS should discuss the possibility to open a shop at the Phalaborwa gate to the Kruger National Park.
- The development of cultural village as part of a full eco-tourism project needs urgent discussion and planning. The community has a rich history and specific sites to visit which could form part of such a project.

#### 5.5.3. Mogotle Citrus Farm and Pack House Manager

##### i) Management responsibilities

- There are 32 full-time staff members working for the Mogotle Citrus farm. The staff members have to be registered in terms of the necessary legislation such as Basic Conditions of Employment Act of 1997, Employment Equity Act of 1998, Labour Relations Act of 1995, and Skills Development Act of 1998.
- Farm workers must sign worker's contract with the management as soon as possible.
- There is a Workers' Committee which meet once a week to discuss among other issues training needs, tasks, reporting and other challenges or problems that workers might be envisaging at work.
- The manager is providing the in-house training which is also regarded as in-service training for the workers.
- The farming operational activities include daily farm and pack house activities as well as purchasing of daily farm inputs, however the purchasing of daily inputs system is currently ineffective.

##### ii) Identified problem areas

- The manager is involved in the long-term strategic planning of the farming business.



- The meeting with the CEO is not official, effective and structured.
- The manager expected to recruit people from the community to work on the farm, but they were not interested, hence the recruitment was unsuccessful.
- He experiences serious financial problems to manage the farm and pack house effectively hence there is no financial support notably from the CPA.
- There are ten (10) essential vacancies (such as administrator) that are not filled at the farm, which make it very difficult to operate.
- The manager needs to join farmers' study group to improve his knowledge and skills on farming operations and other related matters.
- There is urgent need to identify the training needs of the staff members and to develop a Workplace Skills Program for them.
- There is no career path and job description for the staff members.
- There is insufficient irrigation water available at the farm.
- The dilapidated pack house and irrigation system need urgent repair, which might be done through CASP program.

iii) Recommendations by the Mogotle Citrus Farm and Pack House Manager

- Committed and dedicated person who is able to work with people.
- He has farming experience but needs support in a form of a mentor in order to improve his agricultural knowledge and skills.
- He should stay on the farm so that he can manage all the farming and pack house activities effectively and efficiently.
- The development of job descriptions needs urgent attention and it should include human resources development program for all managers on the farm.
- A structured meeting program should be developed and implemented between the CEO and two farm managers (Game Range and Mogotle Citrus managers).

## 5.6. THE INTERIM BUSINESS PLAN FOR MASHISHIMALE CPA

CPA has drawn an interim business plan with the assistance of the project facilitator/coordinator and Agricultural specialists from university of Pretoria in 2008. The business plan covers the marketing plan, operational plan, management plan, human resource plan, and financial resource plan as well as SWOT analysis of the company.

## 5.7. POST-SETTLEMENT SUPPORT

### 5.7.1. Agricultural Extension services

- The roles of local municipality and extension officers are non-existence.

#### 5.7.2. The Limpopo Department of Agriculture

- CPA is not familiar with the extension services from the extension officers of Limpopo Department of Agriculture because there are no extension officers rendering such services to them.

#### 5.7.3. Community organisations

- There are no Community Based Organisations that are rendering support services except the Traditional Council and traditional healers.

#### 5.7.4. SANPARKS

- There are other role players or structures that are showing helping hands, however, there are no tangible items that the CPA can really point at. SANPARKS has promised to supply game for the game farming, but nothing happened.

#### 5.7.5. Other Government Departments

- The local structures such as Local Government are only coming when invited and talk about Integrated Development Program but there is absolutely no delivery at all.

#### 5.7.6. RCLL and Settlement Support and Development Unit

- The Regional Land Claims Commission facilitated and guided the community during the lodgement of the land claim.
- It assisted in providing information of the claimants' family' trees.
- Settlement Support and Development Unit (SSDU) is planning to make use of the portion of the restitution discretionary grant to purchase the game animals for the game farming on behalf of the beneficiaries (community).
- The owner of Bosbok 793 is assisting the beneficiaries to operate the Ngulube game lodge which is on the Landdraad farm.
- It (SSDU) also facilitates the appointment of the service provider to compile a detailed land use and development plan for the beneficiaries, which will guide the use of the existing land and future business development.

#### 5.7.7. Phalaborwa Mining Company

- Phalaborwa Mining Company has promised to adopt the farm, but nothing happened.

#### 5.8. TRAINING AND CAPACITY BUILDING

- SRS-SA appointed Womiwu Rural Development which in turn appointed the project facilitator/coordinator to assist the CPA.
- The project facilitator/coordinator helps in project implementation and renders support to the CPA.

#### 5.9. JOB CREATION

- The CPA is looking forward to bring about development and improvement of the people of Mashishimale. The CPA is contemplating to make use of the profit made through the farming projects, lodge and game farming to upgrade the infrastructures such as school buildings, roads, clinics, houses for the poor and also to save money for education trust.
- The land is currently used for game farming with the big four of the big five available and a lodge which is used mainly by tourists especially from over sea countries. The community has a very good prime game farm with excellent infrastructures and related facilities. It falls within the Phalaborwa Spatial Development Initiative as underpinned by the Limpopo Growth and Development strategy. The tourists who use the road to Mozambique via Kruger National Park bring more financial injection into the game lodge. The game farming and lodge have opened job opportunities for the Ba-Phalaborwa community.

#### 5.10. COMMUNICATION CHANNELS OR SYSTEMS

The CPA had a very strong and reliable communication patterns. They have quarterly mass meetings with the community for feedback and to take new mandates. Urgent matters are usually sent to the community through the radio and notices or the community announcer. The CPA has gained more trust from the community because of its communication system.

#### 5.11. SPECIFIC TRAINING NEEDS

The Community requires training in production management and procedures, marketing strategies, leadership, project management, financial management, and conflict management.

## CHAPTER 6

### THE NKUMBULENI COMMUNITY TRUST – STRATEGIC PARTNERSHIP MODEL

#### 6.1. INTRODUCTION

In this chapter the findings from observations, meetings with focus group and individuals involved in the farm management activities of the Nkumbuleni Community, which has benefited from the Land Reform Program through restitution, will be discussed.

The Nkumbuleni Community consisted of three families named Mali, Ndlovu and Zungu, which were previously forming part of the Embo Tribal Authority before forced removal. The Nkumbuleni Community consists of 250 households who were removed from the land but only 211 households were verified whereby approximately 20 percent is headed by women (SRS-SA, 2008).

The Nkumbuleni Community Land Claim was lodged with Regional Land Claim Commission (RLCC) of Kwa-Zulu Natal (KZN) in October 1998. The three families made claims as three individuals but were advised by the RLCC to form a Trust and to collectively lodge the claim. The community established the Nkumbuleni Community Trust (CT) three years before the land could be transferred to them. The old Nkumbuleni Community Trust consisted of thirteen (13) members. It has both young and old community members who also assisted to identify and give evidence that was used as proof of Nkumbuleni Community being the owners of the claimed land. The community made claims for a number of farms but they could only be given the following few farms because the other farms were disputed by the current owners.

Table 6.1: Farms and portions of farms given to Nkumbuleni Community

Portion	Farm and portion	Size in ha
3	Tala 16135	308.24ha
4	Leeuwpoort 1120	169.07ha
7	Leeuwpoort 1120	323.34ha
	Total	800.95ha

#### 6.2. MEETING WITH THE COMMUNITY TRUST DELEGATION

##### i) Introduction of Community Trust (CT)

The CT could be defined as:- “Legal body through which members of disadvantaged and poor communities may collectively acquire, hold and manage property in terms of

a written constitution” (White Paper on South African Land Policy, 1997: 51). This legal body is entrusted to hold and manage the land or properties of the groups of people or communities on their behalves. The CT must draw a constitution which will help to provide good governance and management of the properties. Department of Land Affairs (Rural Development and Land Reform) monitors the role and progress made by the CT after it has been registered with RLCC. The Trust does not have its own constitution and it is currently using the Trust Deed to guide its functioning. They are in the process to develop a specific constitution.

The structure of the CT consists of the following portfolios:-

- Chairperson;
- Deputy Chairperson;
- Secretary;
- Deputy Secretary;
- Treasurer;
- Public Relations’ Officer;
- Chaplain; and
- Additional members (6)

ii) Responsibilities of the CT

- The main role of the CT is to manage the property (land and other farm assets) on behalf of the community.
- The CT has to ensure that the project progresses well in accordance with the mandate given to the CT by the community. It should encourage community members to attend regular meetings whereby important information shall be disseminated and communicated to the community.
- The CT also strengthened the relationship and cooperation with the partners and other stakeholders. The communication pattern involves the CT that communicates all the information and development to the community. However, the chieftainship is also often informed about all the development and related activities at the projects.
- This is the decision-making body that is also responsible for the organisation of meetings and dissemination of information.
- It is also responsible for the settlement of outstanding claims on behalf of the community, therefore ensuring good governance of the project.

iii) The success of the CT

- The CT has managed to attract and appoint the strategic partner.
- It is following up on the remaining land claims.
- The salvaging of the falling citrus farm by appointing a knowledgeable strategic partner who successfully brought the farm to its normal production state. The strategic partner model on the farm is a pillar of strength and success for the farm.
- The working relationship with the chieftainship, Department of Agriculture and Conservation, RLCC and community is a sign of success.
- The communication channels and cooperation with the community is smooth and it is bringing about strong support and trust to the CT.
- They have monthly mass meetings with the community for feedback and to take new mandates. Urgent matters are usually sent to the community through the chieftainship and notices or the community announcer. The communication system has earned the CT more trust from the community.

iv) The challenges and problems identified after settlement

- The election of the CT members was not democratically done.
- The community members are staying far away from the farms, and as such they need transport to take them to the farm and work.
- There is high rate of theft, especially farm equipment.
- The farm demanded an absolute resuscitation with special attention to the deteriorated citrus production.
- The project need farm machinery such as tractors.
- The main challenge to address other challenges is a lack of funding and the knowledge about possible funding. Therefore there are insufficient funds for the salaries of the farm workers. It must be noted that the Trust has been struggling to access funding from the government but all in vain.
- The strategic partner injected R2 000 000.00 which has rescued the project' which sends a clear message that the project must also be in a position to pay him back.
- Members of the Trust have other commitments outside the project, and as such they compromise their time to fulfil their commitments at work and for the project to be successful.
- All the promises made by an official from the Department of Agriculture and Conservation with regard to funding have not materialised yet.
- The CT is planning to select members from the community (especially the youth) to be trained as farm managers at Institutions of High Learning.

v) Financial management and support

- The Restitution Discretion Grants of R633 000.00 and Settlement Planning Grants of R303 840.00 for 211 households were applied for. This was to be used for the development of the farming business. Application for additional funding from the RLCC was made but it was unsuccessful to date. Officials from the RLCC arrived approximately two hours late (remarks made by other members were: “as usual”). A submission was made for additional funds (grants). The submission bounced back – it has to be changed because of a problem in the structure. The funds requested were R2 400 000.00 for the Citrus farm. According to the representative from the RLCC, claimants can also apply for individual funds through the LRAD Program.
- The strategic partner has already invested R2 800 000.00 into the farm. A grant to the value of approximately R632 449.00 has been paid to the Trust and this money was paid back to the strategic partner.
- A problem being experienced by many restitution claim projects including Nkumbuleni CT is that settlement plan and funding to manage the farms are available.
- Nothing has materialized (within 9 months) with regard to the application for CASP funds. The only positive aspect is that the Department of Agriculture and Conservation has identified the project as one of its flagships, but the support is rated zero. The Trust made a submission based on Section 42C but it was unsuccessful due to the reshuffling of the commissioner’s office and the delay due to the approval by the acting commissioner. The irrigation system was upgraded with funds made available by the Strategic partner. If it did not happen there would have been no citrus to harvest. It became evident that the Department did not use the business plan to develop a CASP financial plan. The problem is that the CASP plan cannot be changed to address other urgent farming needs. The question is who can intervene in a situation such as this? The strategic partner clearly indicated his frustration with the current situation.
- The business company consists of 5 directors which include Trust members. This is a very positive move to ensure good financial management. It is however important that all Trust members and the community must clearly understand the role of the business company.

vi) Interim Business Plan

- The project coordinator assisted the Community Trust to develop the financial plan, which included the upgrading of 80ha irrigation system (R1 3000 000.00); pack house (R500 000.00); development of 10ha citrus (R600 000.00); and 100ha of sugar cane (R1 500 000.00). A request to fund the above projects was presented to Department of Agriculture and Conservation in Kwa-Zulu Natal (2008 February) for funding through the Comprehensive Agricultural Support Program (CASP) without any success.

6.3. MEETING WITH COMMUNITY STAKEHOLDERS AND STRUCTURES (THEIR ROLE, NEEDS AND EXPECTATIONS)

a) Meeting with Tribal Authority

The Chiefs helped and supported the motion to lodge the land claim with the RLCC. The elders of the community were allowed by the chieftainship to identify the historical areas that would serve as the evidence during the lodging of the land claim. The Chiefs and Indunas do not usually attend the meetings but they are kept abreast about the entire development on the projects.

b) Meeting with community elders

The community elders and the youth took part in the process of land claim. The elders were assisting in identifying the historic places that were used as evidence, especially on claims that were to be presented or rather be defended in court. The youth were also assisting during the process hence they were sent and delegated to partake in the structures responsible for the lodging of the claims such as Community Land Claim Committee that was later converted into Community Trust. Some of the community members have old photos that were also used as evidence that the claimant community had once stayed at the specific farms.

The role of the community is embedded in the role of the chieftainship and the Indunas. They supported the committee through by attending the meetings and giving new mandates to the committee. They also advised the committee on issues that require speedy actions and decisions to be made immediately.

6.4. MEETING WITH PROJECT FACILITATOR/COORDINATOR

The project is housed by the Inkezo Land Coordinators which is collaborating with University of Pretoria. A project coordinator was appointed in June 2007 to assist the



community and the Trust to coordinate the project functions such as training (capacity building on governance, human resource management, and finance), linking, building and maintaining working relationships with other stakeholders. The project coordinator is playing a vital role in the current success of the project.

i) Profile of the Project facilitator/coordinator

- Agriculturally educated with farming experience.
- Project facilitator/coordinator has trainer/mentor knowledge and experience
- She has experience and skills to work with people in such a manner that people regard her as a member of the (“married to”) Nkumbuleni Broader Community and as such she must not leave the community.

ii) Specific role and functions of the Project facilitator/coordinator

- The project facilitator/coordinator became part of the project to make a difference, render support to the project and make it successful.
- To coordinate all SRS-SA activities at the project level (for detailed functions of the Project facilitator/coordinator, please refer to Box 1 in Chapter 5).

iii) Observations made by the project facilitator/coordinator

- Elections of the Community Trust members were not democratically done. People who were part of the Land Claim Committee were automatically brought into the Community Trust (CT). This process led to poor communication in terms of the community and the CT.
- The entire CT committee is focusing only on one item, which is the farming business and citrus enterprise. This led to other enterprises falling apart and completely reached their cessation period of operation.
- Beneficiaries are staying far away from the farming project, which becomes an expensive exercise when people are supposed to go to work on daily basis.
- The CT committee is sometimes delaying issues which need urgent attention, which ultimately result in more damage to the project.
- In some instances the beneficiaries are taking advantage of the partnership and relax where it is not necessary to do so. This includes among other issues, the search for funding through sponsorship and production loans as well as funding from government.

- The expenditure is not explained in detail and as such it leaves much to be desired. The language used on the cash flow statement is too difficult for the beneficiaries to understand.
  - The RLCC is contributing towards the failure of the project. It does not really guide people in terms of the necessary support that they need. They only come to the meeting when invited and stand to defend their superiors and their offices thereof.
  - Government is only dealing with prescriptive documentations without proper assistance to the beneficiaries. This is a provincial pilot project that was supposed to be given the necessary attention it deserves, but in lieu, there is nothing happening.
  - The training that was done by the consultants was very much incompatible with the training needs of the community (and the language used during training was very difficult to be understood by the trainees/trustees).
  - There is a dire need for the youth to be trained in different categories of governance especially training of facilitation skills.
  - It is the intension of the CT that all new farming projects will be implemented and managed by CT themselves and with the support from the community. The intension is therefore not to appoint a strategic partner for new projects.
- iv) Lessons learnt by the Project facilitator/coordinator
- The community that does not have the relevant knowledge and suitable skills cannot provide any physical contributions to the project and ends up being receptive to whatever that is given to them (“beggars are not choosers”).
  - RLCC must release the appropriate funds in time. There are too many excuses by the government officials in terms of defending their superiors and their offices, and yet there is no service delivery from their offices.
  - Government must provide initial training to the trustees in time. This will assist the trustees to decide on the model that they want to apply on their project.
  - Farmers must be monitored by government before they leave or transfer their farms to the claimant beneficiaries or community. This will avoid a situation whereby there is a complete production recession.
  - Government must help to create and promote a good relationship between the former farmer owner and the claimant community. This will help the community to benefit from the farmer before he/she leaves the farm.

## 6.5. MEETING WITH THE STRATEGIC PARTNER

In July 2005 the then Department of Agriculture and Land Affairs (today known as Rural Development and Land Reform) accepted a proposal by the National Land Summit to form partnerships at a local, provincial and national level. The partnerships are meant to foster an enabling environment for an ease, speed and sustainability of the land reform interventions. In a number of restitution claims, beneficiaries were encouraged to identify and look for partners and to establish partnership programs. Nkumbuleni was also encouraged to form a partnership and they advertised their need. A number of applications were received and after in depth research and intensive interviews the CT decided to form a partnership with Mr S Hillcove who was a knowledgeable, skilful and experienced neighbouring farmer.

The Nkumbuleni Strategic Partnership – view points of the strategic partner

### i) Establishing the partnership

The strategic partner offered two (2) possible ventures to the CT and the communities namely:

- a) The community lease the farm to him, or
- b) The farm is managed together as a joint venture.

The CT and the community decided to manage the farm together and form a partnership on the 50:50 bases and a legal contract was drawn and signed by both parties for a period of ten (10) years.

### ii) Investments invested by the strategic partner

The strategic partner made his farming knowledge available to the project and invested more than R 2 800 000.00 in cash into the project. He emphasized the fact that his main objective with regard to the project is to ensure that the Citrus farm must become the most successful farm in KwaZulu Natal Province. An amount of R632 449.00 has been paid back to him. Tractors, equipment, transport maintenance and management advice have also been provided on daily basis to the project. The community has only provided the farm with the infrastructure such as irrigation system. In the discussion with the CT they acknowledged and appreciated the contributions made by the strategic partner and openly declare their position in the partnership as the “beggars” or “underdogs” that did not bring anything tangible.

iii) Factors strengthening the partnership

A positive and cooperative relationship has developed between the partners that they trust each other. Trustees have been trained by the strategic partner in business management and to be able to take over the business in the future.

iv) Stumbling blocks affecting the partnership negatively

The Government department's promises financial support – but very little has materialized. The strategic partner is currently responsible for the running cost of the farming operation. He has to take a bigger share in the farming business and the community perceived it very negatively. There was a rumour that one of the families want to withdraw from the partnership. It has been noticed that there is a lack of willingness among the trust members and broader community to learn and it is a known fact that an unwilling person can never be empowered.

v) The role of the stakeholders

The RLCC did attend meetings without making any positive contributions. No services were provided by the Extension service of the Provincial Department of Agriculture. The strategic partner makes use of the private consultants to advise them on technical farming issues. It has been noted that the Provincial Department of Agriculture developed a Business Plan for CASP funds; the plan was only approved after nine (9) months (which was nine (9) months too late). The strategic partner rescued the project by investing money into the project.

vi) The importance of communication

The strategic partner emphasizes the good communication between himself and the trustees as critical and it does exist. It is further the trustees' responsibility to communicate effectively with the broader community.

vii) Additional aspects affecting the success of the partnership

- The CT represents the community and their communication with the community is critical.
- The Project facilitator/coordinator who was appointed by the SRS-SA is a necessity to the project. She made things happened. She played a vital role and supported the strategic partner and the CT to build a relationship of understanding and trust.
- The strategic partner's motto in life is: "how much can I make for other people" this is you must always be willing to help other people.

- The success of a partnership depends on a relationship, it is like a marriage.
- Both partners must have a love for farming.
- There must mutual trust between the partners (including the community).
- It was not always possible to keep to the Interim Business Plan, but it did give clear directions and an essential element of any farming operation. The Business Plan however did not help them to access funds from the Government (CASP funding).

#### 6.6. THE INTERIM BUSINESS PLAN FOR NKUMBULENI COMMUNITY TRUST

- The Agricultural specialists from University of Pretoria were responsible to develop an Interim Business Plan for the farming enterprise. The Interim Business Plan was developed in close cooperation with the Strategic Partner and the CT. The Project facilitator/coordinator was responsible for the communication of the plan to the broader Nkumbuleni Community.
- The Interim Business Plan addresses specific day to day needs and activities of the farming enterprise such as financial and production management, marketing management, and human resource management.
- The Interim Business Plan was followed by the Strategic Plan which was also developed by the specialists from University of Pretoria in cooperation with the Strategic Partner and the CT.
- The export market was negatively influenced by poor quality fruit from the northern citrus producing areas in South Africa. This made most of the fruit to be marketed in South African market than export market. Some of the fruit were exported to UK, Middle East and Europe.
- In the next production season, emphasise will be on the quality fruit for export.
- It was also mentioned that it was at the beginning of the lemon marketing season whereby the prices seem to be very good.
- It was recommended that there was a dire need to identify another export agency as soon as possible.

#### 6.7. POST-SETTLEMENT SUPPORT SERVICES

##### a) Agricultural extension services

- The Trust members are uncertain about the role that the division of Agricultural Extension can play to support them in their farming activities.

b) Department of Agriculture and Conservation

- An official from the Department of Agriculture and Conservation is attending meetings with the CT and the community.
- An application for CASP funds has been made but after a period of nine (9) months nothing has materialised.
- It is therefore recommended that a delegation from the Trust should meet with senior management from the Department of Agriculture and Conservation to clear all possible stumbling blocks as soon as possible.

c) Other Departments

- Department of Land Affairs (Rural Development and Land Reform) through The Regional Land Claims Commission has been coordinating the land claim for the community of Nkumbuleni.
- The RLCC is visiting the project and give advices where possible and necessary. They also attend to the CT and community monthly meetings especially when invited.
- It has been noted by the CT that the release of funding is completely difficult and delaying. The delayed payment to the previous farm owner and/or the new owner(s) of the farms has been experienced as a serious factor responsible for the degradation of the farms. The RLCC assisted the CT in drawing up the terms and conditions of agreement with the strategic partner.

d) Commodity organisations

i) Citrus Growers Association (CGA)

- No support was received from the CGA. The CT expected direct support from CGA hence they are supporting other citrus growers in the country.

ii) South African Sugar Association (SASA)

- CT could not identify any support from South African Sugar Association.

e) RLCC

- The Regional Land Claims Commission (RLCC) has facilitated and guided the community during the lodgement of the land claim. It has also assisted the community to draw up the family trees that were used to identify the households of the Nkumbuleni trustees.
- The RLCC intended engaging the services of the organisational development institutions to help with the building of an effective institutional arrangement and

capacity building of the trustees. The RLCC is also responsible to support the trust with their application for additional grants from the Department of Land Affairs (Rural Development and Land Reform).

#### 6.8. TRAINING AND CAPACITY BUILDING

The community and the CT have not received any training either about governance or management of the farming business from government. They are depending on the Project Facilitator/Coordinator and their partner, who is knowledgeable and experienced because he has been farming for quite some time. The project is managed by University of Pretoria with the support of the Project Facilitator/Coordinator. A project coordinator was appointed in June 2007 to assist the community and the Trust to coordinate and facilitate the project functions such as training (capacity building on governance, human resource management, and finance), linking, building and maintaining working relationship with other stakeholders. There is no work plan skills plan developed for the farm workers to build their capacity and skills.

#### 6.9. JOB CREATION

There were no specific jobs created except those that were for the people to work on the farm. However, it was mentioned that the farm is far away from the community and as such it is expensive for them to travel to the farm on daily basis. The Trust is planning to select some members of the community to be trained as managers, especially the youth. It does not have any development programme that is in place and functional.

#### 6.10. COMMUNICATION CHANNELS OR SYSTEMS

The project coordinator communicates with the Trust members regularly through meetings. Trust members often invite the community for information and sharing of the development or progress made at the farm. The Chiefs attend the meetings whenever invited by the Trust.

#### 6.11. SPECIFIC TRAINING NEEDS

The Community requires training in production management and procedures, marketing strategies, leadership, project management, financial management, and conflict management.

## 6.12. THE TSB MODEL: A CASE STUDY OF A SUCCESSFUL PARTNERSHIP MODEL

This is an example of a case study representing a successful Strategic Partnership Model.

### 6.12.1. Strategic Partnership Background

Transvaal Suiker Beperk (TSB) is one of the biggest sugar-producing companies in South Africa. It is situated on the east of Malelane town in the Nkomazi District of Mpumalanga Province. Some of its farms were part of the biggest restitution claims of Tenbosch in Mpumalanga Province.

The Siphumelele Community and the Ingwenyama Community are two of the communities that have benefited from the Tenbosch restitution claim and agreed to enter into a partnership agreement with TSB through their Trusts, separately (refer to Chapter 2, page 32 paragraph 3.2.1.4). TSB entered into a partnership with the Trusts through its Agricultural services company known as Shubombo Agricultural Services (Chiyoka, 2009) refer to figures 1 and 2 below.

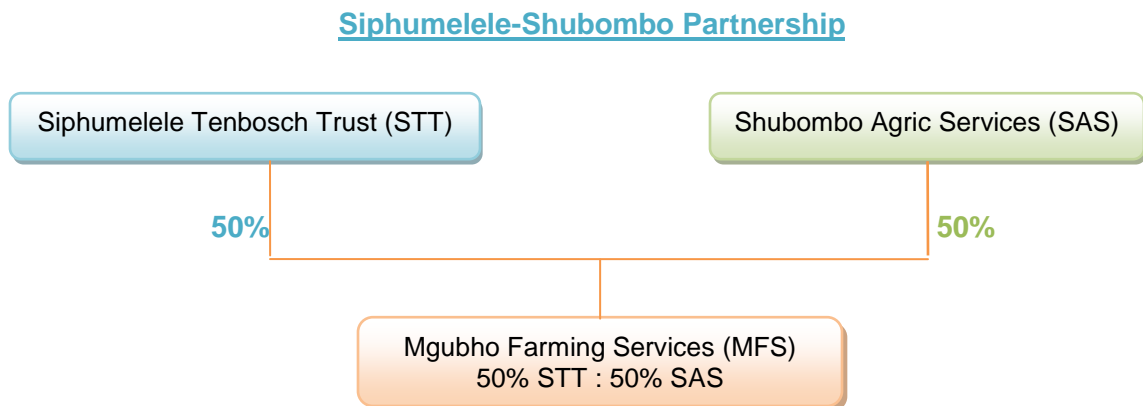


Figure 1: Siphumelele-Shubombo Partnership and Mgubho Farming Services

Figure 1 above gives a description of the Siphumelele – Shubombo Partnership agreement and the stipulation of each partner’s contribution. The two partners formed an agricultural company called Mgubho Farming services (MFS) which is responsible for the farm operation on behalf of the partners. According to the agreement (Table 6.1), STT and SAS have each contributed 50% membership towards the formation of the MFS.



Table 6.2: Siphumelele Tenbosch Trust and Shubombo Agricultural Services Partners' contributions

Siphumelele Tenbosch Trust	Shubombo Agricultural Services
i. Land.	i. Capital: capital and operational.
ii. 50% shareholder.	ii. Machinery and equipments.
	iii. Management expertise.
	iv. 50% shareholder.

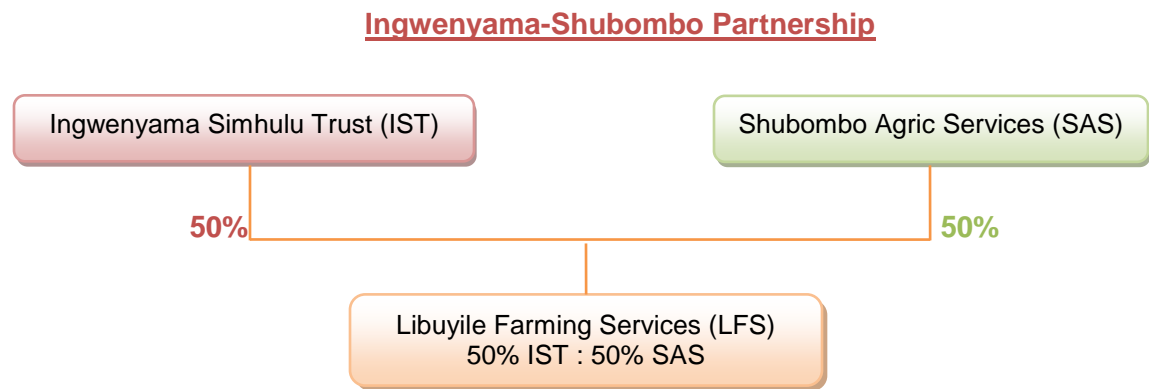


Figure 2: Ingwenyama-Shubombo Partnership and Libuyile Farming Services

Figure 2 above gives a description of the Ingwenyama – Shubombo Partnership agreement and the stipulation of each partner's contribution. The two partners formed an agricultural company called Libuyile Farming services (LFS) which is responsible for the farm operation on behalf of the partners. According to the agreement (Table 6.2), IST and SAS have each contributed 50% membership towards the formation of the LFS. The table below indicates the contributions of each partner towards the agreement.

Table 6.3: Ingwenyama Simulu Trust and Shubombo Agricultural Partners' contributions

Ingwenyama Simulu Trust	Shubombo Agricultural Services
i. Land.	i. Capital: capital and operational.
ii. 50% shareholder.	ii. Machinery and equipments.
	iii. Management expertise.
	iv. 50% shareholder.

#### 6.12.2. Communication strategy

The Trusts and the Farm Management Companies have developed a communication policy which outlines the possible communication strategy. TSB has appointed a communication facilitator who is responsible for the communication with the communities and the companies, while companies have appointed the Secretariat to handle all communication within the companies and with the stakeholders including the communities. The Secretariat is also responsible for queries from the stakeholders and communities where possible and necessary (TSB, 2009). However, there is also an open line of communication whereby individuals can address some of the issues or lodge a complaint with the company through the Secretariat or TSB or any stakeholder that form part of the partnership. The information is disseminated through the meetings that are held with trustees, communities and companies. In some instances communication is done in writing or correspondences especially in terms of advertisement of posts.

#### 6.12.3. Labour

The Farm Management Companies have appointed a Human Resource (HR) Committee which is responsible for recruitment and other HR issues of the companies. The HR Committee has conducted a community skills audit and a skills data base have been development (qualifications, skills, experience of the community members have been listed), which assist the companies to understand the possible qualifications, skills and other expertise that the community might be having. These will ease the employment strategy that has been developed by the companies (TSB, 2009).

HR Committee is responsible for the recruitment of labour which is done through advertising all available posts to allow those who qualify to apply. Tenders for the contract such as cutting contracts, weed control and harvesting are usually appointed from the community beneficiaries. However, there are some of the labourers that have been inherited from the previous employers (TSB, 2009).

#### 6.12.4. Government involvement

There are 1300 small cane growers which supply cane to TSB mill. They need proper services from TSB and government. Extension services are rendered in a joint venture whereby the TSB extension officials and the Provincial Department of Agriculture, Rural Development and Land Administration extension officials work together to assist the small growers. The Department of Land Affairs is regularly visiting the communities to monitor the progress and give them support where necessary. The Regional Land Claim

Commission has been of great assistance ever since the communities lodged their claims and throughout until the land was officially given to the communities. RLCC also assisted in advice in terms of deciding on the appropriate governance structure whereby the communities ultimately decided on partnership with TSB. RLCC is still visiting the communities to monitor their progress (TSB, 2009).

#### 6.12.5. Challenges and problems

TSB has identified a few but imperative challenges and problems that have been envisaged in their relationship with the Trust and communities. It is necessary to address them as soon as possible to avoid setbacks. The challenges are:-

- People who were not beneficiaries were registered to increase the number of the beneficiaries in the beneficiary list; however, this process backfired when the benefits were to be shared because the large number of the beneficiaries implied that the benefits will be very low in proportion to the big number.
- Destabilized communities make it difficult to maintain corporate governance of the projects.
- Capacity building and incorporation in the Farm Management Companies' takes too long and it is difficult to manage, e.g. cutting contract, weed control, security companies, and chemical and fertilizers suppliers. This makes support of the growers difficult.
- Communities' have very high expectations that might not be attained.
- The general distrust towards all parties delay development of the projects, which at a time give a room to concerned groups' formations (groups use disinformation to discredit others).
- Limited understanding of budgets and financial statements create a room for mistrust and as such wrong interpretations bring about misleading statements that may bring about internal fighting and splits of the Trusts. Due to internal conflicts, Trusts become dysfunctional and important decisions are not taken (TSB, 2009).

#### 6.12.6. Pillars of success

It is necessary to note that most of the beneficiaries are not yet at the level whereby they can manage very big farm operations especially where millions of Rands are involved. It is at this stage where a partnership is crucially important. TSB (2009) views the following as the pillars of success for any partnership:-

- It is important to appoint management with appropriate expertise (well trained, skillful, knowledgeable and experienced).

- The benefit stream should be clearly defined and ensure that all parties understand and agree.
- Keep the benefit of employees in simple terms and easy to implement.
- There should be a strategy to develop service suppliers especially that they are from the beneficiaries.
- Ensure and enhance relative stability in the community of the beneficiaries.
- There must be transparent service provision to both partners (TSB and Trusts).
- Improve relationship between partners (TSB and Trusts).
- Give community feedback on progress especially on HR and contracts matters.

#### 6.12.7. Benefit and profit sharing

The partnership that TSB (2009) has entered into with the Ingwenyama and Siphumelele Trusts is quite unique in terms of conditions and benefits. Even though they are partners, the Trusts still benefit from having a double income stream. The Trusts are receiving lease fees from the farms that have been leased out to TSB and dividends from the farm profit at 50%. This is a great advantage to the Trusts because if the production goes down, they still stand on the lease leg income.

Apart from the income made from the lease agreement and dividends from the farm profit, Trusts still benefit from bursaries that are been granted to the communities' deserving school going children. The partnership brought about job opportunities for the suitable beneficiaries who get first preference whenever employment opportunities open up. The community beneficiaries enjoy exposure opportunities within the partnership and TSB in terms of farm strategies and business management at large.

#### 6.12.8. Meetings

There are different meetings held between and among the stakeholders wherein most of the cases TSB is the facilitator. It must be mentioned that TSB was not attending to the meetings especially meetings with the communities, but due to mismanagement of information it was in one way or another pulled in to facilitate the meetings. Meetings with communities are more about feedback and discussions of important matters where decisions are made. Meetings are held within the Trusts, between Trusts and strategic partners, between Trusts and Communities as well as between Trusts and Secretariat. The meetings are helping the communities, Trusts and partners to share information correctly and timeously where in some instances, clarities are been made. Above all, trust is been built between and among the stakeholders. There are clear meeting schedules

and procedures to be followed during the meeting proceedings. The Secretariat is a full time employee responsible for implementation, coordination, investigation, support, communication, draw agenda and meeting, schedule meeting, update list rules and policies, skills audit of community, database of beneficiaries, and information desk for community queries (TSB, 2009).

#### 6.12.9. Company structure

The partnership governance structure is a broader management structure that includes all the companies in partnership with Shubombo Agricultural Services on behalf of TSB. The broader management structure includes the partners Libuyile and Mgubho Farm Services. However, Libuyile and Mgubho Farm services have their individual Farm Management Services management structures that manage their individual farm operations on daily basis.

The management structures have defined policies such as financial policy, rules and budget system which guide them in terms of financial matters and financial decision making. The companies have recruitment and remuneration policies that are used when the companies are recruiting labour. Each company has its own HR section that is responsible for recruitment of new labour. There are other policies that have been developed to guide the operation of the company such as investment policy; dividend distribution; communication strategy and schedule; community education plan; community skills development plan; and community infrastructure plan (TSB, 2009).

#### 6.12.10. Support and mentorship

There are different support structures that are currently giving support and render mentorship to the beneficiaries. TSB is rendering services through TSB extension, engineering, cane control services. Other support services are rendered by South African Cane Growers Association and Government extension services from the Department of Agriculture, Rural Development and Land Administration (DARDLA) in Mpumalanga Province. Extension managers and production managers provide mentorship to the trustees however Shubombo may reconsider its partnership to allow the Trustees companies to run on their own in the future (TSB, 2009).

#### 6.12.11. Capacity building

TSB provide training on leadership, conflict and resolution management, and finance management. Training assists the trustees to acquire relevant knowledge and skills on

management at different levels of the companies. However, before any training could be done, training needs are identified by the social facilitator, who will also plan for training as soon as needs have been identified and prioritized. Beneficiaries are also been trained on different agricultural aspects such as fertilizers, weed control, irrigation, planting and replanting, disease control, ripening and dry off as well as harvesting. Training is regarded as part of a developmental program that is aiming at building capacity on trustees and other beneficiaries who are part of the partnerships.

## CHAPTER 7

### A COMPARISON OF THE TWO POST-SETTLEMENT MODELS

#### 7.1 INTRODUCTION

This chapter compares the Farm Management Model (FMM) and Strategic Partnership Model (SPM).

#### 7.2. COMPARISON BETWEEN THE FARM MANAGEMENT MODEL (FMM) AND STRATEGIC PARTNERSHIP MODEL (SPM)

A description of the comparison between the CPA and CT structures of the FMM and SPM with special attention to similarities and differences.

Table 7.1: A comparison between the CPA and CT structures of FMM and SPM.

FMM and CPA Structure	SPM and CT Structure
<b>Similarities</b>	
a) Formation <ul style="list-style-type: none"> <li>There were no democratic elections to elect members for the new CPA, but the same members who were serving in the LLC formed the new CPA and the decision was supported by the TA.</li> <li>The Mashishimale community opted for a CPA and not a Trust.</li> </ul>	a) Formation <ul style="list-style-type: none"> <li>There were no democratic elections to elect new members for the CT, but same Trust who were serving in the LLC formed the new CT and the decision was supported by the three families.</li> <li>The RCLL advised Nkumbuleni community to form a Trust not a CPA.</li> </ul>
b) Responsibilities <ul style="list-style-type: none"> <li>Manage all the properties (land and other assets) on behalf of the community.</li> <li>The implementation of the settlement program and control of the properties and farm assets.</li> <li>Manage the finance and prepare all the necessary reports which include financial and progress reports.</li> <li>Continue with the process to claim outstanding restitution land.</li> <li>Hold negotiations with all relevant role players and access to grants, loans and other necessities such as farming</li> </ul>	b) Responsibilities <ul style="list-style-type: none"> <li>Manage all the properties (land and other assets) on behalf of the communities.</li> <li>The implementation of the settlement program and control of the properties and farm assets.</li> <li>Manage the finance and prepare all the necessary report which include financial and progress reports.</li> <li>Continue with the process to claim outstanding restitution land.</li> <li>Hold negotiations with all relevant role players and access to grants, loans and other necessities such as farming</li> </ul>

<p>equipment.</p> <ul style="list-style-type: none"> <li>• Arrange and organise quarterly mass (community) meetings and meetings with other stakeholders when necessary.</li> <li>• Effective communication with the community and TA.</li> <li>• Represent the community in all other meetings called by other stakeholders.</li> <li>• Manage all the projects on behalf of the community and report any progress made and challenges that the CPA might be envisaging.</li> <li>• It is the decision making body, but it always consult the community for new mandate.</li> <li>• It serves as a link between the community and other stakeholders.</li> <li>• Appointment of a knowledgeable, skilful and experienced farm manager and other staff.</li> <li>• Ensuring that the transferred farms are managed as sustainable farming enterprises to enable them to support socio-economic development of the community.</li> <li>• FMM and CPA are responsible for creating jobs.</li> </ul>	<p>equipment.</p> <ul style="list-style-type: none"> <li>• Arrange and organise community meetings and meetings with other stakeholders.</li> <li>• Effective communication with the community and the Chiefs.</li> <li>• Represent the community in all other meetings called by other stakeholders.</li> <li>• Manage all the projects on behalf of the community and report any progress made and challenges that the CT might be facing.</li> <li>• It is the decision making body, but it always consult the community for new mandate.</li> <li>• It serves as a link between the community and other stakeholders.</li> <li>• The CT advertised their need for a Strategic Partner and appointment of a knowledgeable, skilful and experienced strategic partner and other staff.</li> <li>• Ensuring that the transferred farms are managed as sustainable farming enterprises to enable them to support socio-economic development of the community.</li> <li>• SPM and CT are responsible for creating jobs.</li> </ul>
Differences	
<p>a) Composition</p> <ul style="list-style-type: none"> <li>• The CPA was formed by the Mashishimale community including the leadership of one Chieftaincy (TA).</li> <li>• The CPA structure has ten (10) members with the (traditional leader) Chief been part of the structure as ex-officio</li> </ul>	<p>a) Composition</p> <ul style="list-style-type: none"> <li>• The CT was formed by members from three families namely Mali, Ndlovu and Zungu who were advised by LLCC to form CT to work together.</li> <li>• The CT has thirteen (13) members. The traditional leaders attending if invited to the meetings.</li> </ul>



According to the above table:

- The main similarities are that there were no democratic elections to elect members for the new CPA and CT but the same members who were serving in the LLC formed the new CPA and CT. Both structures have the same responsibilities.
- The main difference was that CPA was formed under the leadership of one Chief while CT was formed from three families under the leadership of three Chiefs.

Explanation of the similarities and differences of the CPA and CT management structures at the farm levels.

Table 7.2: The similarities and differences of the CPA and CT Management structures at farm level are demonstrated in the next table.

FMM and CPA Structure	SPM and CT Structure
<b>Similarities</b>	
a) Responsibilities <ul style="list-style-type: none"> <li>• Three steering committees were established to manage:               <ol style="list-style-type: none"> <li>Ngulube lodge;</li> <li>Crock Ranch Safaris;</li> <li>Mogotle Citrus.</li> </ol> </li> <li>• Managers are responsible for:               <ul style="list-style-type: none"> <li>- Payment by Financial Committee.</li> <li>- SC approval</li> <li>- Obtain quotations</li> </ul> </li> <li>• Financial committee is responsible to manage the finance and prepare all the necessary report which include financial and progress reports of the above-mentioned enterprises.</li> <li>• A bookkeeper has been appointed and she/he is responsible for audit of all financial books of the farm.</li> <li>• The management is providing the in-house training which is also regarded as in-service training for the staff.</li> <li>• The management manages all the staff employed at different enterprises; and drawing of staff job descriptions.</li> </ul>	a) Responsibilities <ul style="list-style-type: none"> <li>• The responsibilities of CT have been outlined in Table 7.1.).</li> <li>• The farm is managed as a joint venture between the community (represented by CT) and the Strategic Partner</li> <li>• A legal contract is in place for a period of ten (10) years.</li> <li>• The Strategic Partner has become a “bank” providing the running costs for the farming operation.</li> </ul>
<b>Differences</b>	
a) Structure	a) Structure

<ul style="list-style-type: none"> <li>• Mashishimale CPA has a definite management structure that is responsible for various activities on the farm. The farm management structure reports directly to the Board of Director of the CPA.</li> <li>• The farm management structure consists of a CEO, six (6) managers and two (2) assistant managers.</li> </ul>	<ul style="list-style-type: none"> <li>• A company consisting of five (5) Directors was formed with the main aim to manage the financial aspects of the farm as a business.</li> <li>• A farm manager manages the farm and report to the Strategic Partner who reports to the CT.</li> <li>• There is no a specific structure.</li> </ul>
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According to the table above:

- The similarities are that both structures are responsible for managing and controlling the assets of the beneficiaries.
- The main difference is that a specific company was formed by the CT and Strategic Partner to manage the farm as a business while the CPA kept the responsibility for the financial management of the farming operations and this has led to several delays of requests from the CEO and the management team for financial support and paying of accounts.

The importance of good communication channels is non-negotiable. In the next table the similarities and differences of the communication channel systems used by the FMM and SPM are illustrated.

Table 7.3: The similarities and differences of the communication channel systems used by FMM and SPM.

FMM communication channel system	SPM communication channel system
Similarities	
a) Internal <ul style="list-style-type: none"> <li>• The CPA communicates with the Chief through her messenger and councillors.</li> <li>• The CPA usually holds regular meetings with the Chief to update her about progress made and challenges that it is facing, or new matters or matters that need her urgent attention.</li> <li>• The Chief is an ex-officio member of the CPA and attend meetings when available.</li> <li>• Communication is also done through written documents such as letters and reports.</li> </ul>	a) Internal <ul style="list-style-type: none"> <li>• The CT communicates with the three Chiefs through their messengers or Indunas.</li> <li>• The CT usually holds meetings with the three Chiefs mainly to update them about progress made and new matters or matters that need the Chiefs' urgent attention.</li> <li>• The three Chiefs attend community meetings with CT only when invited.</li> <li>• Communication is also done through written documents such as letters and reports.</li> </ul>

<ul style="list-style-type: none"> <li>• The community is informed or invited to the meetings through the radio, written notices (that are often plugged at the busy centres such as taxi ranks and shopping centres), the councillors and the community announcers.</li> <li>• CPA meets weekly with CEO.</li> </ul> <p>b) External</p> <ul style="list-style-type: none"> <li>• The CPA has open system of communication with stakeholders (RLCC, Phalaborwa Mining Company (PMC), Exporter Association).</li> <li>• The communication is done through written documents and telephone calls or in person (meetings).</li> </ul>	<ul style="list-style-type: none"> <li>• The community is invited to the meetings through written notices that are plugged at the busy places such as taxi ranks and shops.</li> <li>• CT meets at least monthly with the Strategic Partner.</li> </ul> <p>b) External</p> <ul style="list-style-type: none"> <li>• The CT has open system of communication with stakeholders (RLCC, Provincial Department of Agriculture and Environmental Affairs (KZN), Hullels Mill, Illovo Mill, Local Municipality of Mkhambathini, Capespan Exporters) outside the Nkumbuleni community.</li> <li>• The communication is done through written documents and telephones or in person (meetings).</li> </ul>
Differences	
<p>a) Internal</p> <ul style="list-style-type: none"> <li>• The CPA works with the Chief hence she is also an ex-officio member, and as such this makes their communication easier.</li> <li>• The CPA holds community mass meetings on quarterly basis whereby feedback are given and new mandates are taken, and at a time new decisions are been made by the entire community.</li> <li>• There is no communication with Department of Agriculture at all levels.</li> </ul>	<p>a) Internal</p> <ul style="list-style-type: none"> <li>• The CT works independently from the Chieftaincy, and none of the three Chiefs is an ex-officio member.</li> <li>• The community meetings are normally held on monthly basis, but when there are urgent matters, the meetings could be organised through the Chiefs and councillors or Indunas.</li> <li>• There is communication with Department of Agriculture and Conservation at Provincial level.</li> </ul>

A summary of similarities and differences with regard to the communication channels used by the FMM and SPM are:

- The two structures use the same communication channels and systems in terms of communication with the stakeholders where they have internal and external communication strategies.
- CPA holds community mass meetings quarterly while CT holds community mass meetings monthly.
- CPA meets on a weekly basis with the CEO while CT meets on a monthly basis with the Strategic Partner.

The next table gives an explanation of the role of the Project facilitator/coordinator in the CPA and CT structures.

Table 7.4: Explanation of the role of the Project facilitator/coordinator in the CPA and CT structures.

The role of the Project facilitator/coordinator in the FMM and CPA Structure	The role of the Project facilitator/coordinator in the SPM and CT Structure
<b>Similarities</b>	
<ul style="list-style-type: none"> <li>• Assist in information gathering for the long term community strategic plan;</li> <li>• Assist in information dissemination within the community.</li> <li>• Compiled an inventory of current and past plans and documents that had been developed for economic development activities for the relevant communities;</li> <li>• Drafted a monthly work plan (objectives, activities, deliverables and time frames);</li> <li>• Liaise with local structures;</li> <li>• Identified and compiled database of various community projects and individual businesses;</li> <li>• Conducted and compiled a community skills audit and database;</li> <li>• Assist the community members in developing and applying for grants for the projects;</li> <li>• Worked with other community coordinators to determine the needs of the community with regard to the land the community received, and to draft a detailed community profile;</li> <li>• Assist in drafting and developing a proposed land development plan;</li> <li>• Facilitated capacity building and training workshops for the beneficiaries;</li> <li>• Monitor and evaluate the progress made through the duration of the programme as well as at the closing phase of the programme;</li> </ul>	<ul style="list-style-type: none"> <li>• Assist in information gathering for the long term community strategic plan;</li> <li>• Assist in information dissemination within the community.</li> <li>• Compiled an inventory of current and past plans and documents that had been developed for economic development activities for the relevant communities;</li> <li>• Drafted a monthly work plan (objectives, activities, deliverables and time frames);</li> <li>• Liaise with local structures;</li> <li>• Identified and compiled database of various community projects and individual businesses;</li> <li>• Conducted and compiled a community skills audit and database;</li> <li>• Assist the community members in developing and applying for grants for the projects;</li> <li>• Worked with other community coordinators to determine the needs of the community with regard to the land the community received, and to draft a detailed community profile;</li> <li>• Assist in drafting and developing a proposed land development plan;</li> <li>• Facilitated capacity building and training workshops for the beneficiaries; and</li> <li>• Monitor and evaluate the progress made through the duration of the programme as well as at the closing phase of the programme.(see 6.4); and</li> </ul>

<ul style="list-style-type: none"> <li>Assists the CPA to develop good governance structure and long-term business plan;</li> <li>Coordinate all SRS-SA activities. (see 5.4).</li> <li>The task of the Project facilitator/coordinator was ended when the SRS-SA project ended.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate all SRS-SA activities.</li> <li>The task of the Project facilitator/coordinator was ended when the SRS-SA project ended.</li> </ul>
<b>Differences</b>	
<ul style="list-style-type: none"> <li>Project coordinator was appointed on request of the SRS-SA by Womiwo Rural Development</li> </ul>	<ul style="list-style-type: none"> <li>Project coordinator was appointed on request of the SRS-SA by Inkezo Land Coordinators</li> </ul>

According to the above table:

- The Project facilitators/coordinator facilitated and coordinated different activities such as capacity building, development of the strategic plans, SRS-SA activities on the farms.
- The responsibilities of the Project facilitator/coordinator were determined by the SRS-SA project team.
- The Project facilitator/coordinators were appointed from different companies namely Womiwu Rural Development in Limpopo Province and Inkezo Land Coordinators in KwaZulu Natal Province.

The role of the stakeholders in the FMM and SPM is explained in Table 7.5 below.

Table 7.5: The role of the stakeholders in the FMM and SPM models.

Role of stakeholder in the FMM	Role of the stakeholder in the SPM
<b>Similarities</b>	
<ul style="list-style-type: none"> <li>Mashishimale community               <ul style="list-style-type: none"> <li>Mashishimale community does not have any community support structures formed by the community itself.</li> </ul> </li> <li>Department of Agriculture (Provincial)               <ul style="list-style-type: none"> <li>There are officials from Department of Agriculture attending meeting on the farm when invited although no extension service was rendered either by Department of Agriculture (Provincial) or from the private sector.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Nkumbulenil community               <ul style="list-style-type: none"> <li>Nkumbuleni community does not have any community support structures that have been formed by the community itself.</li> </ul> </li> <li>Department of Agriculture and Conservation (Provincial)               <ul style="list-style-type: none"> <li>An official from the provincial Department of Agriculture and Conservation is attending meetings with the CT and the community although no extension service was rendered by Department of Agriculture and Conservation.</li> </ul> </li> </ul>

Differences	
<ul style="list-style-type: none"> <li>• CGA               <ul style="list-style-type: none"> <li>- People of Mashishimale received support from CGA, even though it was on seasonal basis.</li> </ul> </li> <li>• SANPARKS supported them to buy the clean buffalo.</li> <li>• Department of Environment and Tourism allow traditional healers to collect medicinal plants in South Africa National Parks and in Mozambique in a controlled manner.</li> </ul>	<ul style="list-style-type: none"> <li>• CGA               <ul style="list-style-type: none"> <li>- No support was received from the CGA. The community expected direct support from CGA hence they are supporting other citrus growers in the country.</li> </ul> </li> </ul>

According to Table 7.5:

- The FMM received support from other stakeholders while the SPM received very little support.
- It was noted that the services of departmental extension officers were not noticeable.

The role of Traditional leadership in the FMM and SPM models is explained in table below.

Table 7.6: The role of the Traditional leadership in the FMM and SPM models.

Role of the Traditional leadership in the FMM	Role of the Traditional leadership in the SPM
Similarities	
<ul style="list-style-type: none"> <li>• There were no similarities</li> </ul>	
Differences	
<ul style="list-style-type: none"> <li>• The Chief is attending meetings with the CPA and the community, and she is also available to attend the crucial meetings with other stakeholders.</li> <li>• The Chief gives advices, renders support and endorses her signature to support and approve new mandates and decisions made by the CPA. (see page 56. 5.3.)</li> </ul>	<ul style="list-style-type: none"> <li>• Neither of the three Chiefs nor their Indunas attends the meetings, unless invited by CT.</li> <li>• The Chiefs gave the CT all the powers to operate the duties that are required on the farms, which made CT to operate as an independent body from the three Chiefs.</li> </ul>

According to the above table:

- There were no similarities noticed from both models.
- The Chief from Mashishimale community attend meetings regularly and endorsed the new mandate of the CPA, while the Chiefs from Nkumbuleni community do not attend meetings rather endorse new mandates from CT.

The financial management systems in the FMM and SPM models are illustrated in the next table.

Table 7.7. The illustration of the financial management systems in the FMM and SPM models.

Financial management system in the FMM	Financial management system in the SPM
<b>Similarities</b>	
<p>a) Interim Business Plan (IBP)</p> <ul style="list-style-type: none"> <li>The farm did not have an IBP.</li> <li>UP agricultural specialists developed the Interim Business Plan with the cooperation of the CPA and CEO.</li> </ul> <p>b) Financial plan</p> <ul style="list-style-type: none"> <li>The University of Pretoria agricultural specialists with the help of project facilitator/coordinator helped CPA to develop a financial plan which included capital investment estimated at R4 160 000.00 for Crock Ranch, while Mogotle citrus requires capital investment of R1 233 700.63 per annum.</li> </ul>	<p>a) Interim Business Plan (IBP)</p> <ul style="list-style-type: none"> <li>The farm did not have an IBP.</li> <li>Agricultural specialist developed the Interim Business Plan in cooperation with the CT, the SPM and the farm manager.</li> </ul> <p>b) Financial plan</p> <ul style="list-style-type: none"> <li>The University of Pretoria agricultural specialists from SRS-SA together with CT and strategic partner developed the financial plan, which included the upgrading of 80ha irrigation system (R1 3000 000.00), pack house (R500 000.00), development of 10ha citrus (R600 000.00) and 100ha of sugar cane (R1 500 000.00).</li> </ul>
<b>Differences</b>	
<ul style="list-style-type: none"> <li>The Interim Business Plan covers the marketing plan, operational plan, management plan, human resource plan, and financial resource plan as well as SWOT analysis of the company for the Croc Ranch and Citrus farm operations. No plan was developed for the lodge.</li> </ul>	<ul style="list-style-type: none"> <li>The Interim Business Plan included the upgrading of the irrigation system, a packhouse, development of additional 10ha of citrus and 100ha sugarcane.</li> </ul>

Table 7.7 discloses the following:

- Interim Business Plans were developed for the FMM and SPM.
- No differences were noticed from FMM and SPM.

In the next table all other support services provided to the FMM and SPM models are described.

Table 7.8: Other support services provided to the FMM and SPM models

Other support services to FMM	Other support services to SPM
<b>Similarities</b>	
<p>a) Training and capacity building</p> <ul style="list-style-type: none"> <li>• The Project facilitator/coordinator facilitated training (veld management, business management, and financial management) for the CPA and the Mashishimale community members.</li> <li>• A baseline study was executed at Mashishimale community by the SRS-SA Social Section Team</li> </ul> <p>b) Financial support</p> <ul style="list-style-type: none"> <li>• CPA has applied for CASP funding, but nothing happened.</li> <li>• CPA has applied for Restitution Discretion Grants and Settlement Planning Grants that have not yet been awarded.</li> </ul> <p>c) After-care services</p> <ul style="list-style-type: none"> <li>• The Project facilitator/coordinator also assisted the CPA to develop good governance structure and the long term business plan.</li> </ul>	<p>a) Training and capacity building</p> <ul style="list-style-type: none"> <li>• The Project facilitator/coordinator facilitated training (capacity building on governance, human resource management, and finance), linking, building and maintaining working relationship with other stakeholders.</li> <li>• A baseline study was executed at Nkumbuleni community by the SRS-SA Social Section Team</li> </ul> <p>b) Financial support</p> <ul style="list-style-type: none"> <li>• CT has applied for CASP funding, but their application was only approved a year too late.</li> <li>• CT has applied for Restitution Discretion Grants and Settlement Planning Grants that have not yet been awarded.</li> </ul> <p>c) After-care services</p> <ul style="list-style-type: none"> <li>• The Project facilitator/coordinator helped the CT to develop good governance structure.</li> </ul>
<b>Differences</b>	
<ul style="list-style-type: none"> <li>• The CPA did not receive funding from any partners.</li> <li>• Project facilitator/coordinator facilitated workshop for CPA members in general management, SARS, labour relations and basic functional management.</li> <li>• Other role players or structures that are assisting, however, there are no tangible items that the CPA can really point at, they include: <ul style="list-style-type: none"> <li>i. Phalaborwa Mining Company (PMC) has promised to adopt the farm.</li> <li>ii. SANPARKS that has promised to</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The Strategic Partner has already invested R2 800 000.00 into the farm.</li> <li>• No workshop on management and SARS was conducted.</li> <li>• There were no role players from the private sector.</li> <li>• The department of Agriculture and Conservation announced that the project is one of their flagships – but failed to deliver any support.</li> <li>• The grant of R632 449.00 was awarded late.</li> </ul>



<p>supply clean buffalos for the game farm and to investigate the possibility to build a shop at the Phalaborwa gate for Mashishimale entrepreneurs who want to sell their work to the tourists visiting Kruger national Park</p> <p>iii. The owner of Bosbok 793 assisted the beneficiaries to operate the Ngulube game lodge (in few months).</p>	
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According to the above table:

- FMM and SPM received training that was developed by the SRS-SA specialists and facilitated by Project facilitator/coordinators. They all applied for financial assistance from CASP but didn't receive anything.
- SPM received financial assistance from the Strategic Partner and Government grant.

Description of the jobs created by FMM and SPM is given in the table below.

Table 7.9: The extend of job creation in the FMM and SPM

Job creation in the FMM	Job creation in the SPM
Similarities	
<ul style="list-style-type: none"> <li>• There were no similarities.</li> </ul>	
Differences	
<ul style="list-style-type: none"> <li>• The Game Ranch has appointed 27 staff members on permanent basis, while Mogotle Citrus has appointed 32 staff members on permanent basis with 10 essential vacant posts to be filled as soon as possible. There are approximately 10 people working at the lodge</li> <li>• These jobs were advertised at Mashishimale community.</li> <li>• On the first day 25 members of the community arrived and started working, but 20 of them left the job after the first day indicating that it is too hard work to do (most of them were female). The next day enough part time workers applied for the jobs from the neighbouring community and they stayed until the harvest season was over.</li> </ul>	<ul style="list-style-type: none"> <li>• The only jobs created were mainly for the farm workers. However, it was mentioned that the farm is situated far away from the community and as such it is expensive for them to travel to the farm on daily basis.</li> </ul>

According to the above table:

- There were no similarities noticed between FMM and SPM.
- FMM has created approximately 59 new jobs while SPM created only a few jobs for farm workers.

The problems and challenges experienced in the FMM and SPM are described in the next table.

Table 7.10: The challenges and problems experienced in the FMM and SPM

Challenges and problems of FMM	Challenges and problems of SPM
<b>Similarities</b>	
<ul style="list-style-type: none"> <li>• Elections of the CPA members were not democratically done. People who were in the Land Claim Committee automatically formed the CPA.</li> <li>• The training that was facilitated by the Project facilitator/coordinator was very much incompatible with the training needs of the community.</li> <li>• The language used during training and finance explanation was difficult to understand.</li> <li>• The delay or release of grants (Restitution Discretion Grants and Settlement Planning Grants) by government is delaying development and implementation of some of the projects.</li> <li>• Government is only dealing with prescriptive documentations without proper assistance to the beneficiaries.</li> <li>• The youth are not interested in agricultural activities.</li> <li>• The RLCC officials only come to the meeting when invited and stand to defend their superiors and their offices thereof.</li> </ul>	<ul style="list-style-type: none"> <li>• Elections of the CT members were not democratically done. People who were in the Land Claim Committee automatically formed the CT.</li> <li>• The training that was facilitated by the Project facilitator/coordinator was very much incompatible with the training needs of the community.</li> <li>• The language used during training and finance explanation was difficult to understand.</li> <li>• The delay or release of grants (Restitution Discretion Grants and Settlement Planning Grants) by government is delaying development and implementation of some of the projects.</li> <li>• Government is only dealing with prescriptive documentations without proper assistance to the beneficiaries.</li> <li>• The youth are not interested in agricultural activities.</li> <li>• The RLCC officials only come to the meeting when invited and stand to defend their superiors and their offices thereof.</li> </ul>
<b>Differences</b>	
<ul style="list-style-type: none"> <li>• Former farm owner moved out of the farm without notice, but surprisingly the Land Claim Commissioner was informed about the departure of the former owner. Due to the silent departure of the former owner,</li> </ul>	<ul style="list-style-type: none"> <li>• The neighbouring farm owner has formed a partnership with new owners, CT. The entire CT committee is focusing only on one item, which is the farming business and citrus enterprise. This led to other</li> </ul>

<p>the lodge was without a manager or workers for three months, which implies that the CPA lost profit. However, the CPA has many enterprises on the farm.</p> <ul style="list-style-type: none"> <li>• Beneficiaries are not staying far away from the farm project, but it seems as if they see farm work too hard to do.</li> <li>• The CEO and other managers decided to enter into loan and stand for bank security on their own.</li> </ul>	<p>enterprises falling apart and completely reached their operational cessation.</p> <ul style="list-style-type: none"> <li>• Beneficiaries are staying far away from the farm project, which becomes an expensive exercise when the people are supposed to come to work on daily basis.</li> <li>• Beneficiaries are taking advantage of the partnership and relax while it is not expected from them to do so. This include among other issues, the search for funding through sponsorship and production loans as well as funding from government.</li> </ul>
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Summary of challenges and problems:

- Elections of the CPA and CT members were not democratically done, people who were in the Land Claim Committee automatically formed the CPA and CT. However, it is believed that they were democratically elected for the LCC and had at least experience working together as a CPA and CP.
- Mashishimale community has opted for FMM while Nkumbuleni community has opted for SPM and appointed a Strategic Partner.

The table below describes pillars for success as perceived by FMM and SPM beneficiaries.

Table 7.11: Pillars for success as perceived by FMM and SPM beneficiaries

Pillars for success for FMM	Pillars for success for SPM
Similarities	
<ul style="list-style-type: none"> <li>• CPA is a CBO in its nature and as such it requires that is should be formed by <i>bona fide</i> members of such community who understand the needs and wants as well as the culture of the community.</li> <li>• Community should be given opportunity to participate in all the activities that are taking place in the projects, which will also promote trust and community coherence.</li> <li>• Community should be informed about all the decisions that have been taken or made before they are implemented to avoid setbacks and non-ownership.</li> <li>• CPA should organise regular community meetings to give feedback and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• CT is a CBO in its nature and as such it requires that is should be formed by <i>bona fide</i> members of such community who understand the needs and want as well as the culture of the community.</li> <li>• Community should be given opportunity to participate in all the activities that are taking place in the projects, which will also promote trust and community coherence.</li> <li>• Community should be informed about all the decisions that have been taken or made before they are implemented to avoid setbacks and non-ownership.</li> <li>• CT should organise regular community meetings to for feedback and reporting</li> </ul>

<p>especially on finance to avoid speculations and misconceptions about project management.</p> <ul style="list-style-type: none"> <li>• The needs of the community should be catered for to avoid division among the community members.</li> <li>• There should be a very strong collaboration and cooperation between CPA, TA and other stakeholders.</li> </ul>	<p>especially on finance to avoid speculations and misconceptions about project management.</p> <ul style="list-style-type: none"> <li>• The needs of the community should be catered for to avoid division among the community members.</li> <li>• There should be a very strong collaboration and cooperation between CT, TA and other stakeholders.</li> </ul>
Differences	
<ul style="list-style-type: none"> <li>• The appointment of a qualified, knowledgeable and experienced farm manager is crucial, and as such it must be done fairly.</li> </ul>	<ul style="list-style-type: none"> <li>• The appointment of a qualified, knowledgeable and experienced strategic partner is crucial, and as such it must be done fairly.</li> </ul>

According to the above table:

- Participation by community is essential.
- Communication at all levels is critical.
- Whether a farm manager (CEO) or a strategic partner is appointed, make sure he is experienced and qualified to do the job.

## CHAPTER 8

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 8.1. SUMMARY AND CONCLUSION

##### 8.1.1. The Farm Management Model

###### a) Management Structure

Van Reenen and Marais (1992: 2) define farm management as “...the rational decision-making to achieve the objectives of the particular farming enterprise.” The Mashishimale Farm Management Model has a definite management structure that is responsible for various activities on the farm. The management structure consists of a CEO, six (6) managers and two (2) assistant managers. Three steering committees were established to manage Ngulube lodge; Game Ranch Safaris and Mogotle Citrus farm. The steering committees were also responsible for assisting in decision-making processes. The managers are also responsible for payment through the financial committee.

The financial committee is responsible to manage the finance and prepare all the necessary reports which include financial and progress reports of the above-mentioned enterprises. A bookkeeper has been appointed and she/he is responsible for audit of all financial books of the farm. The management is providing the in-house training which is also regarded as in-service training for the staff. The management manages all the staff employed at different enterprises; and drawing of staff job descriptions.

###### b) Business Plan

The farm did not have an Interim Business Plan (IBP). University of Pretoria agricultural specialists developed the Interim Business Plan with the cooperation of the CPA and CEO. The Interim Business Plan covers the marketing plan, operational plan, management plan, human resource plan, and financial resource plan as well as SWOT analysis of the company for the Croc Ranch and Mogotle Citrus farm operations excluding the lodge.

###### c) Financial Plan

The University of Pretoria agricultural specialists with the help of project facilitator/coordinator helped CPA to develop a financial plan which included capital investment estimated at R4 160 000.00 for Game Ranch, while Mogotle Citrus farm requires capital investment of R1 233 700.63 per annum.

d) After-care support

The People of Mashishimale received support from CGA, even though it was on seasonal basis. Officials from the Department of Agriculture do attend meeting on the farm when invited, but there is no extension service rendered by Department of Agriculture (Provincial). SANPARKS rendered support by assisting CPA to buy clean buffalo. The Project facilitator/coordinator facilitated training (veld management, business management, and financial management) for the CPA and the Mashishimale community members. The Project facilitator/coordinator facilitated a workshop for CPA members in general management, tax, labour relations and basic functional management.

e) Communication

Communication is also done through written documents such as letters and reports. The community is informed or invited to the meetings through the radio, written notices (that are often plugged at the busy centres such as taxi ranks and shopping centres), the councillors and the community announcers. The CPA holds community mass meetings on quarterly basis whereby feedback are given and new mandates are taken, and at a time new decisions are been made by the entire community. There is no communication with Department of Agriculture at all levels except when they are invited to a meeting. CPA meets weekly with CEO and managers as per schedule.

f) The factors that could lead to failure or success of the project

i) Failure

The farm did not have an Interim Business Plan, Financial Plan and Work Skills Plan for the workers. CPA did not receive training on farm management. The training that was facilitated by the Project facilitator/coordinator was very much incompatible with the training needs of the community. The language used during training and finance explanation was difficult to be understood by the beneficiaries.

The delay or release of grants (Restitution Discretion Grants and Settlement Planning Grants) by government is delaying development and implementation of some of the projects on the farm. The farm did not have money to operate the farm. Government is only dealing with prescriptive documentations without proper assistance to the beneficiaries.

The RLCC officials only come to the meeting when invited and stand to defend their superiors and their offices thereof. In most of the farming projects, members of the

CPA have other commitment outside the project, and as such they compromise their time to be fulfilling their commitments at work and for the project to be successful. The committee is sometimes delaying issues which need urgent attention, and ultimately result in more damage to the project.

There is a marked limited understanding of budgets and financial statements that create gaps for mistrust and misconception which lead to wrong interpretations that give rise to misleading statements that may also bring about internal fighting and split the leadership thereof. Due to this internal conflicts and frictions, governance is difficult and dysfunctional and as such crucial decisions could not be taken in time. Although they have applied for CASP funds, nothing materialised.

No clear job descriptions for farm CEO, managers and farm workers are in place as well as work skills plan for each employee.

vii) Success

The Community is given an opportunity to participate in all the activities that are taking place in the projects, which will also promote trust and community coherence, and it is informed about all the decisions that have been taken or made before they are implemented to avoid setbacks and non-ownership. CPA organises regular community meetings to give feedback and reporting especially on finance to avoid speculations and misconceptions about project management.

The needs of the community are catered for to avoid division among the community members. There is a very strong collaboration and cooperation between CPA, TA and other stakeholders.

A management structure was established as well as three steering committees to support the overall management of the farm. A knowledgeable and experienced CEO and managers were employed to manage the farm.

### 8.1.2. The Strategic Partnership Model

a) Management Structure

According to the Oxford dictionary (1979) a *partner* can be defined as “person associated with others in business of which he shares risks and profits.” Nkumbuleni Community Trust (CT) has appointed a Strategic Partner to form the Nkumbuleni Strategic

Partnership Model. Nkumbileni CT together with the strategic partner formed a company consisting of five (5) Directors aimed to manage the farm as a business. There is no a specific structure at farm level. A legal contract is in place for a period of ten (10) years.

b) Business Plan

The farm did not have an Interim Business Plan. University of Pretoria agricultural specialist developed the Interim Business Plan in cooperation with the CT, the Strategic Partner and the farm manager. The Interim Business Plan included the upgrading of the irrigation system, a packhouse, development of additional 10 ha of citrus and 100 ha sugarcane.

c) Financial Plan

Agricultural specialists from SRS-SA together with CT and strategic partner developed the financial plan, which included the upgrading of 80ha irrigation system (R1 3000 000.00), pack house (R500 000.00), development of 10ha citrus (R600 000.00) and 100ha of sugar cane (R1 500 000.00).

d) After-care support

There was no support received from the Citrus Growers Association (CGA). The community expected direct support from CGA hence they are supporting other citrus growers in the country. An official from the provincial Department of Agriculture and Conservation is attending meetings with the CT and the community. No extension service was rendered by Department of Agriculture and Conservation. The Project facilitator/coordinator facilitated training (capacity building on governance, human resource management, and finance), linking, building and maintaining working relationship with other stakeholders.

e) Financial support

CT has applied for CASP funding, but their application was only approved a year too late. CT has applied for Restitution Discretion Grants and Settlement Planning Grants that and an amount of R632 449.00 was paid to them. The Strategic Partner invested R2 800 000.00 to rescue the Citrus enterprise.



f) After-care services

The project facilitator/coordinator helped the CT to develop good governance structure. There was no extension service rendered by Department of Agriculture and Conservation (KwaZulu Natal) or private sector.

g) Communication

Communication is also done through written documents such as letters and reports. The community is invited to the meetings through written notices that are plugged at the busy places such as taxi ranks and shops. The community meetings were normally held on monthly basis, but when there are urgent matters, the meetings could be organised through the Chiefs and councillors or Indunas. The CT meets at least monthly with the Strategic Partner.

h) The factors that could lead to failure or success of the project

i) Failure

The training that was facilitated by the Project facilitator/coordinator was very much incompatible with the training needs of the community. The language used during training and finance explanation was difficult to understand.

The delay or release of grants (Restitution Discretion Grants and Settlement Planning Grants) by government is delaying development and implementation of some of the projects. Government is only dealing with prescriptive documentations without proper assistance to the beneficiaries.

The RLCC officials only come to the meeting when invited and stand to defend their senior managers and their offices thereof.

Beneficiaries are staying far away from the farm project, which becomes an expensive exercise when the people are supposed to come to work on daily basis. Beneficiaries are taking advantage of the partnership and relax when is not expected to happen. This include among other issues, the search for funding through sponsorship and production loans as well as funding from government.

The entire CT committee is focusing only on one item, which is the farming business and citrus enterprise. In most of the farming projects, members of the Trust have other commitment outside the project, and as such they compromise their time to be

fulfilling their commitments at work and for the project to be successful. The committee is sometimes delaying issues which need urgent attention, and ultimately result in more damage to the project. There is a marked limited understanding of budgets and financial statements that create gaps for mistrust and misconceptions which lead to wrong interpretations that give rise to misleading statements that may also bring about internal fighting and split the leadership thereof. Due to this internal conflicts and frictions, governance is difficult and dysfunctional and as such crucial decisions could not be taken in time.

There is no farm management structure in place as well as work skills plan for the employees.

ii) Success

The community is given the opportunity to participate in all the activities that are taking place in the projects, which will also promote trust and community coherence. It is informed about all the decisions that have been taken or made before they are implemented to avoid setbacks and non-ownership. CT organises regular community meetings to for feedback and reporting especially on finance to avoid speculations and misconceptions about project management. The needs of the community are catered for to avoid division among the community members.

A knowledgeable and experienced Strategic Partner was appointed. He invested R2 800 000.00 in the farming business rescuing the Citrus enterprise. The Project facilitator/coordinator played a very important role by facilitating and coordinating training, scheduled meetings, etc. A specific company was formed consisting of five directors to manage the farm as a business.

## 8.2. RECOMMENDATIONS

### 8.2.1. The Farm Management Model

To successfully implement the FMM the following activities are essential:

a) Baseline study

The execution of a baseline study to determine the socio-economic situation in the community (beneficiaries) is inevitable. This includes aspects such as the skills and knowledge, needs, problems and expectations. This task is the responsibility of the Provincial Department of Agriculture and the extension advisory service. A specific

qualified and professional extension advisor and or a team of advisors will have to be appointed to execute the task.

b) Appointment of an independent Project facilitator/coordinator

The Department of Rural Development and Land Reform should seriously consider appointing a Project facilitator/coordinator to support the management and community for at least two (2) years period.

c) Management structure

- A well defined management structure in place. Well qualified, knowledgeable and experienced farm manager(s) should be appointed to manage the farm. Clear job description is non-negotiable.
- The farm management structure must have authority to approve requests by the farm managers for purchasing farm inputs without unnecessary delay.

d) Business plan

The development of a business plan for the farm is essential. The appointment of agriculturally qualified person to support the management is essential. Agricultural specialist from university can and should play an important part in the development of the business plan. The management including the CPA/CT/Board of Directors as well as the farm manager(s) must be part of it. If possible, the Traditional Authority needs to be invited to participate in the development of the Business plan. The business plan must include the following:-

- Financial plan for the farm
- Production plan (including a marketing plan)
- Natural resources plan
- Resource management plan including the enterprise plan
- Human resource plan (including the work place plan)
- Risk management plan
- Infrastructure and equipment management plan

e) Post settlement support

It is absolutely essential that the management have direct access to a professional extension advisory service. The appointment of a Departmental professional extension advisor and or a production advisor from a commodity organisation is recommended. If the service is not available the appointment of a mentor is recommended. It is therefore

necessary to identify available and knowledgeable mentor to be appointed to guide, train and advise the management (not doing the thinking for them). Where possible and available the farm management should join farmers' study groups as a valuable source of information, skills and knowledge.

f) Financial support

The financial support to manage the farm is again non-negotiable. The business plan will indicate clearly what the financial requirements are to manage the farm. It is the responsibility of the Government departments to ensure that grants are made available on time and that a program such as CASP be available for every restitution farm.

### 8.2.2. The Strategic Partnership Model

To successfully implement a SPM the following activities are essential:

a) Baseline study

The execution of a baseline study to determine the socio-economic situation in the community (beneficiaries) is inevitable (see 8.2.1. a) above).

b) Appointment of a Project facilitator/coordinator (see 8.2.1b) above).

c) Management structure

- A well defined management structure needs to be in place.
- The appointment of a knowledgeable, skilful and experienced partner is essential.
- The CPA/CT and Strategic partner must sign an agreement as contract (Business Trust and German International cooperation, 2011: 23). This will strengthen the relationship between the community, their representatives and the strategic Partner.

d) Business Plan

The development of a business for the farm is non-negotiable (see point 8.2.1. above).

e) Post-settlement support

It will be necessary for the CPA/CT that in conjunction with the Strategic Partner determines his/her need for settlement support such as professional extension advisor, a consultant or a mentor.

f) Financial support

The financial support to manage the farm is again non-negotiable. The business plan will indicate clearly what the financial requirements are to manage the farm. It is the responsibility of the Government departments to ensure that grants are made available on time and that a program such as CASP be available for every restitution farm.

8.2.3. Other recommendations

8.2.3.1. Pillars of success

It has been realized that some of the government officials who are supposed to render extension advisory services to the beneficiaries or new land owners, don't have farming background or experience. It is necessary to note that most of the beneficiaries are not yet at the level whereby they can manage very big farm operations especially where millions of Rands are involved. It is at this stage where partnership or farm management system is crucially important. The following aspects are the pillars of success for a land reform project:-

- a) It is important to appoint management with appropriate expertise (well trained, skillful, knowledgeable and experienced). The partner or manager should have a proven farming experience or company. The appointment of the manager or a partner should be one in accordance with the policy of the company. Employ experienced farm management team while developing the available staff through in-service training. The manager or partner should be introduced to the chieftainship and community as soon as the appointment process has been finalised by the recruiting body.
- b) The benefit stream that should be earned by both parties should be clearly defined and ensure that all parties understand and agree, and all the benefit of the employees must also be kept in very simple and straight forward terms to avoid misunderstanding and misconception in the future.
- c) There should be a strategy to develop service suppliers especially from the beneficiaries, especially when some of the services (building construction and servicing machinery) could be provided locally by some of the members of the beneficiary community. This shall encourage and build confidence within, and also help to develop skills among the beneficiaries.
- d) CPA/Trust should be regarded as a CBO in its nature and as such it requires that it should be formed by *bona fide* members of the community who understand the needs and wants as well as the cultural beliefs of the community. This will also assist in ensuring and enhancing relative stability in the community of the beneficiaries. The

community should be given opportunity to participate in all the activities that are taking place in the projects, which will also promote trust and community coherence.

- e) Identify specific channels of communication and develop a communication policy that will outline the communication strategy.
- f) Establish and maintain good relationship between partners while encouraging very strong collaboration and cooperation between CPA/Trust, TA and other stakeholders. There must be transparent service provision to both partners.
- g) The community should be given feedback on progress especially on HR and contract matters that the company might be engaged with. Ensure that the community is well informed about all the decisions that have been taken or made before they are implemented to avoid setbacks and non-ownership. Organise regular community meetings to report on finance to avoid speculations and misconceptions about project management.
- h) The needs of the community should be catered for to avoid division among the community members. However, the community should be guided on the needs and wants that may not be catered for and the list of priorities.
- i) The farming business must be treated as a commercial business in order to maximize outputs through effective agricultural practices, which maximize income.
- j) Make use of the experience of the successful land reform farms or projects to set up new farming ventures that could be helpful to business. This will also provide useful appropriate farming techniques.
- k) Ensure good record keeping and accounting practices that could be used whenever applying for bridging finance with financial institutions.

#### 8.2.3.2. Important aspects to note for a successful restitution project:

- a) There are different government departments that should share the responsibilities in terms of land reform in South Africa; hence each department has a role to play towards the success of this tedious exercise. These departments are Land Affairs; Agriculture, Forestry and Fishery; Rural Development and Land Reform; Department of Higher Education; Economic Development, Water and Environmental Affairs as well as Provincial Department of Agriculture in the provinces. However, not only government departments should share responsibilities but also private sector and financial institutions should be involved. Specific attention should be given to the Land Bank.

- b) All stakeholders should be involved from day-one of the project inception in order to have an apparent picture of the project progress. This will also limit the scope of mistrust; misconception and misjudgement of project functioning that often lead into internal squabbles, frictions and conflict as well as controversies.
- c) The execution of a baseline survey among the beneficiaries (community) to determine their skills, knowledge, needs, problems and expectations is essential before the project starts.
- d) The business plan should be drawn in conjunction with the feasibility study that has been conducted, which implies that the results of the feasibility study should be guiding the business plan and the other way round. Ensure that the farm management team is part of the development of the business plan.
- e) Beneficiaries should be exposed to the various financial institutions, and relevant stakeholders that can provide support in terms of farming techniques, marketing and management.
- f) Beneficiaries should be trained on different possibilities or governance structures that should also be thoroughly explained to them in the language that they understand best, notably the local language that is used by majority of the beneficiaries in the community.
- g) Initial training must be provided to the governing structures notably the CPA/Trust hence they are official property holders on behalf of the communities. This should include introduction to the farming business especially on commercial basis, the opportunities, challenges, and production techniques that are found in the farming fraternity. Follow up training should include financial management, marketing, human resource management, and maintenance especially for farm equipments and machinery as well as buildings.
- h) Once-off training is detrimental and misleadingly dangerous to the new farmers who don't have background or full knowledge on farming business. It is therefore necessary and advisable to make a follow up training so as to monitor development and application of the acquired skills.
- i) Academic institutions should render support to the beneficiaries in terms of training and making available newly researched information to the communities.
- j) The language used during meetings, training, in the documents, and finance should be simple and easy to understand. The local language used by majority of the beneficiaries should be used, if the presenter cannot communicate in the local language, an interpreter should be used.

- k) Each project of land restitution should have an official (preferably extension officer) from Department of Agriculture who is directly responsible for the technical advices; an expert or knowledgeable or subject specialist in terms of the type of the enterprise and production that the community wishes to engage on.



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