Administration of the Land Redistribution for Agricultural Development programme in the North West Province of South Africa

by

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God the Father, the Omnipotent, the Omnipresent, the Omniscient,

God the Son, who strengthens me, and

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LIST OF ABREVIATIONS

ACLA	Advisory Commission on Land Allocation
ANC	African National Congress
BAS	Basic Accounting System
BATAT	Broadening Access to Agriculture Thrust
CA	Compulsory Acquisition
CASP	Comprehensive Agricultural Support Programme
CARP	Comprehensive Agrarian Reform Programme
CBFM	Community Based Forest Management
CMARP	Community-Managed Agrarian Reform Programme
CMARPRP	Community-Managed Agrarian Reform and Poverty Reduction Programme
CODESA	Convention for a Democratic Alternative for South Africa
CONTAG	*Confederação Nacional dos Trabalhadores na Agricultura* National Confederation of Agricultural Workers
COSATU	Congress of South African Trade Unions
DACE	provincial Department of Agriculture, Conservation and Environment, the North West Province
DAR	Department of Agrarian Reform
DENR	Department of Environment and Natural Resources
DLA	Department of Land Affairs
DLRC	District Land Reform Committee
DLRO	District Land Reform Office
DOA	(National) Department of Agriculture
EXCO	Executive Committee of the Province
EXTEC	Executive Technical Committee
IDP	Integrated Development Plan
IFSNP	Integrated Food Security and Nutrition Programme
IGFR	Intergovernmental Relations Framework Act
IMF	International Monetary Fund
INCRA	National Institute of Colonisation and Agrarian Reform
ISS	Institute of Social Studies
ITCAL	Intergovernmental Technical Committee on Agriculture and Land
LARP	Land and Agrarian Reform Project
LDC	Local Development Centre
LLRC	Local Land Reform Committee
LRAD	Land Redistribution for Agricultural Development
MEC	Member of Executive Committee
MINMEC	Ministerial and Members of Executive Committee Structure
MALR	Market-Led Agrarian Reform
MST	*Movimento dos Trabalhadores Rurais Sem Terra* Landless Rural Workers Movement
MTEF	Medium Term Expenditure Framework
NAO	network administration organisation
NAFU	National African Farmers Union

NIFAL	National Integrated Forum on Agriculture and Land
NLC	National Land Committee
NP	National Party
NWPLRO	North West Provincial Land Reform Office
OLT	Operation Land Transfer
PDA	Provincial Department of Agriculture
PGC	Provincial Grants Committee
PISU	Policy Implementation Support Unit
PLAS	Proactive Land Acquisition Strategy
PLRCC	Provincial Land Reform Co-ordinating Committee
PLRO	Provincial Land Reform Office
POSDCORB	Planning, Organising, Staffing, Directing, Coordinating, Reporting, Budgeting
RDP	Reconstruction and Development Programme
SACP	South African Communist Party
SADT	South African Development Trust
SANAC	South African Native Affairs Commission
SDO	Stock Distribution Option
SLAG	Settlement and Land Acquisition Grant
SPFS	Special Programme on Food Security
TOR	terms of reference
UNDP	United Nations Development Programme
US	United States
USA	United States of America
VLT	Voluntary Land Transfer
VOC	Dutch East India Company
VOS	voluntary offer-to-sell
WBWS	willing-buyer, willing-seller

Abstract

The current Government of South Africa faces many challenges emanating from the legacy of the policies of the pre-1994 apartheid era and the earlier periods. One of these challenges is the skewed distribution of agricultural land, in favour of White commercial farmers.

In 1995, the current democratic government, in an attempt to redress this historical imbalance in terms of ownership of agricultural land, introduced a land policy for South Africa. The policy is anchored to three programmes, namely land restitution, land redistribution and tenure reform. In terms of land redistribution, the Government set a target to redistribute 30% of White-owned agricultural land to historically disadvantaged individuals by March 2014.

The land redistribution programme was designed for the state to play a major role in the administration of the programme. The programme was also structured to recognise the complementary roles played by the national Department of Agriculture (DOA) and provincial departments of agriculture, the Department of Land Affairs (DLA) and its Provincial Land Reform Offices (PLROs), the municipalities and the Land Bank, in policy administration.

Due to the fact that the Settlement/Land Acquisition Grant (SLAG) programme, by the end of 2000, failed to deliver the number of hectares that would meet the land redistribution target for the remaining years up until March 2014, it was abolished. In its place, the Land Redistribution for Agricultural Development (LRAD) programme was introduced in 2001. It was anticipated by the Government that the LRAD programme will fast track the redistribution of White-owned agricultural land to Black farmers.

Because administrative processes are as important as policy outcomes, it is important to examine the administrative aspects impacting on the LRAD programme, given the prominent role played by the state in the administration of the programme. The research thus focused on establishing the extent to which the administration of the LRAD programme enables the Government to achieve its land redistribution goals and objectives.

The LRAD programme is not on course to meet the land redistribution target set for 2014. The North West Province in particular has been transferring White-owned agricultural land on an

annual basis at an average of 13% of what it should if its target of the 30% of White-owned agricultural land to be redistributed is to be met by March 2014.

Among the critical factors impacting on successful administration of the LRAD programme in the North West Province is policy integration. The White Paper on Land Policy (1995) recognises that the success of the land reform programme does not depend only on access to land, but also on the achievement of other instrumental objectives, namely the provision of integrated government policy with respect to support services, infrastructural and other development programmes; and the development of an effective and accessible institutional framework for service delivery, characterised by a strong partnership between national, provincial and local spheres of government.

Data was collected through structured interviews from key respondents, namely deputy-directors in the department of Agriculture, Conservation, and Environment (the DACE) and the North West Provincial Land Reform Office (the NWPLRO), as well as from the chief director for the NWPLRO. Methodological, participant and interdisciplinary triangulation was applied during data collection and analysis.

There was ineffective integration of policies, programmes, systems, and procedures between the DACE and the NWPLRO, which undermined the administration of the LRAD programme in the North West Province. In addition, the DACE in particular suffered from administrative incapacity. This was in part due to the nature of the governance regime pertaining to LRAD programme administration. This situation was also affected by the administration of the Government policy generally, the most important of which was the intergovernmental relations, which imposed limits in terms of allocation of financial resources. The administrative incapacity also undermined the endeavour to collaborate as far as LRAD programme administration was concerned. This negatively impacted mostly on the planning phase, as a result of shortage of critical personnel.

In order to effect effective administration of the LRAD programme, it is recommended as follows:
- the budget allocation for the LRAD programme should be increased;
- the administrative capacity of the DACE and the NWPLRO should be increased;

- the systems and procedures for administering the LRAD and CASP programmes should be aligned; and
- the alignment of administrative systems and procedures should become one of the integral factors for measuring and rewarding performance of senior public service managers in institutions administering the programme.

CHAPTER 1
RESEARCH PROBLEM AND RESEARCH DESIGN

1.1 INTRODUCTION

The implementation of public policy is undertaken by public administrators operating within public institutions, hence the focus and locus of the research will be on the administrative aspects of policy implementation as it happens within a public service environment. The purpose of this chapter is to explain in detail what the research is about, and how the research was conducted.

Public Administration as an applied social science uses a number of research methods as the basis for conducting research. *Research* can be defined as "the process of systematically acquiring data to answer a question or solve a problem" (Strauss & Corbin in McNabb, 2002:5). Since research is a process-driven activity, research methodology refers to the steps involved as well as choices made in terms of appropriate research methods to use in solving a problem. The chapter will also briefly outline as well as justify the choice of research methods used in this study. The choice of research methods shall be discussed in the context of the following: research into public administration and specifically governance, public policy analysis and public policy implementation.

1.2 RESEARCH INTO PUBLIC ADMINISTRATION

Public Administration research concerns itself with how to improve the practice of public administration, hence its applied nature (Rutgers in McNabb, 2002:16). In its quest to improve the practical side of the discipline, concepts as well as research methods have been borrowed from other disciplines (Garson & Overman, Lan & Anders, Stivers in McNabb, 2002:16). Kuye (in Kuye, Thornhill, Fourie, Brynard, Crous, Mafunisa, Roux, Van Dijk & van Rooyen, 2002:1) is of the opinion that to understand the modern concepts of the discipline of Public Administration a need exists to embrace the transdisciplinary and interdisciplinary approaches. According to Kuye (in Kuye *et al.*, 2002:2), the following two factors affect the significance of the transdisciplinary and

interdisciplinary approaches, and have a significant influence on public administration research:

- the adaptation and expansion of concepts borrowed from other disciplines; and
- the use of findings from other disciplines.

The use of concepts borrowed from other disciplines does not dilute the importance and significance of Public Administration as a scientific discipline, but rather enhances the ability to understand the social phenomena under study, namely the practice of public administration. The practice of public administration is in itself a social construct, which is undertaken by people within a given socio-political context, hence the need to borrow concepts from other social science disciplines.

Denhardt (in Lynn & Wildavsky, 1990:52), proposes that the Burrrell and Morgan model (1979) used for classification of theories of organisation, be adapted to the study of the theories of Public Administration. The model adapted by Denhardt (in Lynn & Wildavsky, 1990: 54) is presented in figure 1.1.

Figure 1.1: Classification of theories of Public Administration
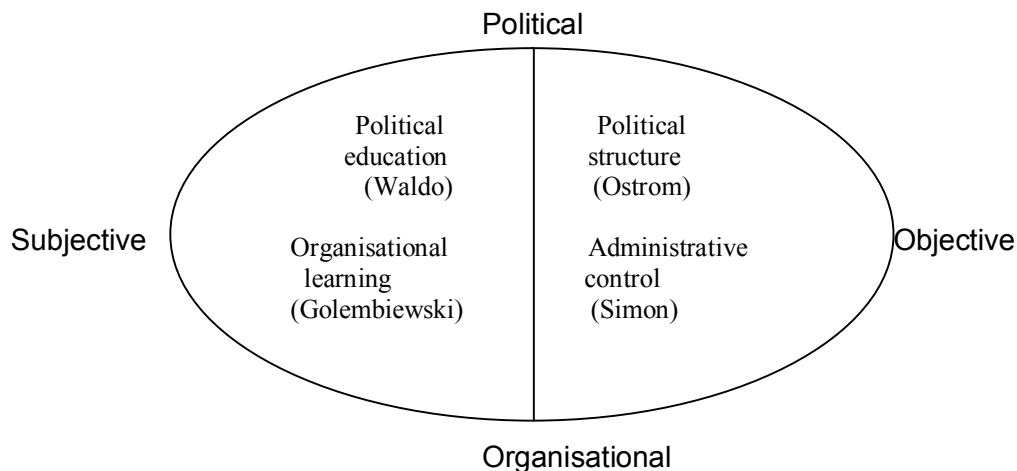
According to Denhardt (in Lynn & Wildavsky, 1990:52), the subjective/objective dimensions focus on related questions of human nature, ontology, epistemology and methodology. Denhardt (in Lynn & Wildavsky, 1990:52) agree with the definitions by Burrell and Morgan, firstly, of the subjective dimension to say that it relates to "an understanding of the way in which the individual creates, modifies, and interprets the

world in which he or she finds himself" and secondly, of the objective dimension to say it relates to a search for "universal laws which explain and govern the reality which is being observed".

In the context of Public Administration, research aligned towards the subjective dimension views the individual as capable of shaping and giving meaning to the social world in which he/she lives, whereas research aligned towards the objective dimension seeks to define structures and laws that determine the behaviour of individuals within their social setting. Exponents of the objective dimension have according to Denhardt (in Lynn & Wildavsky, 1990:58), always maintained the viewpoint that public and private organisations are the same, and that in studying them, generic principles of organisation and management, which are not underpinned by Public Administration theory, can be applied.

The subjective dimension, according to Denhardt (in Lynn & Wildavsky, 1990:58), covers a number of organisational and political topics, whose concern is to derive meaning from the perspective of those who were directly involved in the experiences. This dimension assumes the interpretive epistemological approach in recognising the fact that meaning is both individually and socially constructed. According to Denhardt (in Lynn & Wildavsky, 1990:58), the subjective dimension is consistent with the trends in the social sciences, and has assumed the level of orthodoxy in Public Administration. The differences and shifts in the theoretical approaches among the Public Administration theorists are much more discernible within the subjective/objective dimension, than within the organisational/political dimension (Denhardt in Lynn & Wildavsky, 1990:58). This is due mainly to the fact that the issues of political concern such as accountability and responsiveness cannot be delinked from issues of organisational concern such as efficiency and effectiveness.

In terms of practical application of the analytical model to the understanding and classification of the literary positions of various scholars, Denhardt (in Lynn & Wildavsky 1990:54) proposes that articles with a more subjective dimension, but which are focused on political issues, tend to focus on issues pertaining to the role of public administrators in governance issues. However, issues of values and ethics are of critical importance in understanding the administrative actions undertaken by public administrators. Those articles leaning more towards the objective dimension, and which are focused on political issues, are concerned mainly with the development of models of governance to enhance decision making, public choice and accountability with regard to public policy issues. Articles having an objective dimension, but which are focused on organisational issues, are generally concerned with development of theories and models for organisation, management and control of organisations. Articles having a subjective dimension, but which are focused on organisational issues, recognise the fact that improvement in organisational efficiency and effectiveness can be achieved by drawing on the lessons of how public organisations go about implementing their policies, hence the recognition of qualitative research.

The analytical model by Denhardt (in Lynn & Wildavsky, 1990:54-63), like any framework of analysis, has its own deficiencies in that it cannot comprehensively describe and categorise theoretical developments in a complex social phenomenon such as Public Administration. It nevertheless is a useful tool, which will form the analytical framework for literature review in the chapter on Public Administration. This research integrates both the subjective experiences of public officials with the relevant theories to develop grounded theory on the factors responsible for the ineffective administration of the LRAD programme in the North West Province.

1.3 DEFINITION OF TERMS

1.3.1 Triangulation

The purpose of triangulation in qualitative research is to ensure that the research process is legitimate by conforming to the scientific requirements of rigour, without necessarily adopting the scientific requirements of the quantitative paradigm (Tobin & Begley, 2004:390). According to Tobin and Begley (2004:389), triangulation emerged as an attempt from those using naturalistic methods of enquiry to justify that their methods meet the scientific standards of validity, reliability and generalisability as employed in the rationalistic approaches. However, Tobin and Begley (2004:389-390) synthesise the views of various scholars in the naturalistic paradigm to indicate that the language employed in the rationalistic paradigm cannot be transferred as is to explain the epistemological and ontological philosophical beliefs within the naturalistic paradigm.

Triangulation can be undertaken through a variety of means, as follows:

- constant comparative method (if an issue appears more frequently, this increases its saliency) (Smith & Biley in Cutcliffe & McKenna, 1999:379);
- interdisciplinary triangulation (the use of knowledge from different disciplines to solve one problem) (Gabrielian in Miller & Whicker, 1999:169);
- investigator triangulation (the use of multiple researchers, who conduct the investigation independent of each other) (Gabrielian in Miller & Whicker, 1999:169; Denzin in Thurmond, 2001:254);
- methodological triangulation (the use of a number of methodological approaches on one problem) (Gabrielian in Miller & Whicker, 1999:169; Smith & Biley in Cutcliffe & McKenna, 1999:379), which can also be further classified into:
  - o the within method, where the researcher uses research methods from one research paradigm only, namely the qualitative paradigm or the quantitative paradigm; and
  - o the between or across method, where the researcher combines research methods from both the qualitative and quantitative paradigms (Thurmond, 2001:254);
- participant triangulation (the more people highlight the importance of a particular issue, the more the 'truth value' of that is being confirmed) (Smith & Biley in

Cutcliffe & McKenna, 1999:379), of which Alvesson (in Cox & Hassard, 2005:121) cautions against assuming the 'truth value' of a particular issue frequently raised by interviewees since they are affected by environmental context as well as by "the cultural scripts about how one should normally express oneself on particular topics"; and

- theory triangulation (the use of different theoretical perspectives on a single set of data) (Gabrielian in Miller & Whicker, 1999:169).

Blaikie (in Cox & Hassard, 2005:114) highlights the reality of encountering convergence and divergence of views when using methodological triangulation in a subjectivist epistemology and how to interpret them by saying that "convergence may mean consensus exists on how reality is viewed, or that a common reality is shared, while a lack of convergence may reflect legitimate and different views of reality, or the habituation of different social worlds". According to Blaikie (in Cox & Hassard, 2005:114), such differences of views as described above, cannot serve to attribute bias to or against any method.

The choice of research strategies will not automatically translate into enhanced validity of the findings. What matters most is the ability of the researcher to decipher meaning and draw conclusions by contrasting and integrating the facts as generated by the various research strategies. In an effort to move away from the lingering shadow of the rationalist approach as epitomised by its emphasis on the validity of findings, researchers from the interpretive background proposed criteria by which research studies conducted within the naturalistic paradigm could be judged for adherence to the rigour of validity, reliability and generalisability. Lincoln and Guba (in Tobin & Begley, 2004:391) suggest such criteria:

- *confirmability* (comparable with objectivity or neutrality) refers to the process of ensuring that data presented is the data actually collected and that the interpretation of findings is aligned to the data (Tobin & Begley, 2004:391);
- *credibility* (comparable with internal validity) refers to the degree of 'fit' between the views of respondents, and how the researcher represents (explains) those views (Schwandt in Tobin & Begley 2004:391);
- *dependability* (comparable with reliability) refers to establishing an audit trail of data documentation, methods employed, decisions taken and the final product,

so as to enable other researchers to audit the process, assess the logic followed by the researcher, and to authenticate confirmability (Tobin & Begley, 2004:391); and

- *transferability* (comparable with external validity) refers to whether findings can be applied widely, of which in the context of naturalistic studies, where case studies are sometimes employed, results may not find wider application beyond the research case concerned.

Arminio and Hultgren (in Tobin & Begley, 2004:391) discuss the concept of 'goodness' not so much as a separate construct, but as an integral component of measuring the rigour with which the entire research process (meaning the entire study) was conducted (Tobin & Begley, 2004: 391). Arminio and Hultgren (in Tobin & Begley, 2004:391) suggest six factors which can be used as a measure of goodness in interpretive studies, namely:

- foundation (epistemology and theory), which locates the study within a given philosophical and theoretical context (epistemologically and ontologically), and informs the study;
- approach (methodology), which grounds the study within a particular research framework and criteria;
- collection of data (method), which provides information about how data were collected and managed;
- representation of voice (researcher and participant as subjects who both shape and inform the content of the study), whereby researchers outline their relationship with participants, as well as the phenomena under exploration;
- the art of meaning-making (how findings are interpreted and presented), which is a process through which new insights are derived and presented; and
- implication for practical application of the findings (e.g. recommendations).

The concept of 'goodness' as suggested by Arminio and Hultgren (in Tobin and Begley, 2004:391) should not be viewed as a linear process since qualitative research is dynamic and interactive and involves a "...constant process of moving back and forth between design and implementation" (Morse, Barrett, Mayan, Olson & Spiers in Tobin & Begley, 2004:391). While the efforts of Arminio and Hultgren (in Tobin & Begley, 2004:391) were lauded, concern was raised (Tobin & Begley, 2004:391) that such a

move away from the positivist language can create confusion in the already turbulent waters of the naturalistic paradigm, which is trying to justify that it too is following the rigour of validity, reliability and generalisability.

1.3.2 Idiographic and nomothetic explanation

Idiographic explanation means establishing an exhaustive list of causal reasons or factors to explain in idiosyncratic detail the circumstances unique to a particular situation (Babbie, 2005:19; Williams in May, 2002:125). According to Babbie (2005:20), the fact that some of the causal factors might be applicable to other circumstances is only incidental, since the intention is to explain a unique case fully.

The reasoning applied in idiographic explanation can be applied to inductive inquiry. If after studying and describing a number of independent events and a set of causal factors common to all events emerges, a theory can be developed describing in general terms the relationship between the factors and the variable under observation.

Nomothetic explanation identifies a few causal reasons or factors that generally impact on a particular event or situation (Babbie, 2005:21). The relevance and significance of the causal factors can be qualified with generic words or phrases such as "on the whole", "usually", or "all else being equal"; thus providing a partial explanation of events (Babbie, 2005:21). In the same manner as for idiographic explanation, the reasoning behind nomothetic explanation can be applied to deductive inquiry. The preceding theory or hypothesis can be tested for its validity by examining the relationship between variables.

1.3.3 Quantitative research paradigm

The quantitative research paradigm can manifest itself in a number of forms as follows:
- measuring the properties of phenomena in numerical terms;
- the description and analysis of social phenomena through the analysis of variables; and
- the use of experimental and statistical controls so as to control the sources of error in research (Babbie & Mouton, 2005:49).

The quantitative methodological paradigm is sometimes linked to the *positivist* school of thought, which is a research epistemology that takes the approach that social science research has to be objective, and must deal with measurable and verifiable propositions, which can serve to explain and predict observable social events (Babbie & Mouton, 2005:27; Kincheloe in Maykut & Morehouse, 2001:3). Quantitative information on the administration of the Land Redistribution for Agricultural Development (LRAD) programme in the North West Province will be provided to corroborate the qualitative findings and to enrich the value of this research in general.

1.3.4 Qualitative research paradigm

Qualitative research falls under the broad umbrella of the phenomenological paradigm or approach (Patton in Maykut & Morehouse, 2001:3). The phenomenological approach focuses on the meaning people attach to their social environment (Patton in Maykut & Morehouse, 2001:3), and adopts a position that since human beings and their environment co-exist, the only meaning that human beings have, is based on their interaction with the world (Valle & King in Maykut & Morehouse, 2001:3).

Qualitative research refers broadly to the use of research methods that subscribe to a non-positivist epistemology (Gabrelian in Miller & Whicker, 1999:167). According to Gabrelian (in Miller & Whicker, 1999:167), qualitative research methods could mean one of the following:

- the underlying research epistemology in terms of applicable methods used to generate knowledge;
- the research strategy or design used with a view of revealing and interpreting meanings people attach to their social environment; and
- specific techniques of a non-numeric nature.

1.4 POSTULATES OF THE QUANTITATIVE AND QUALITATIVE RESEARCH PARADIGMS

The postulates of the positivist paradigm and phenomenological approach (alternate paradigm) as adapted by Maykut and Morehouse (2001:12), are presented in table 1.1.

Table 1.1: Postulates of research paradigms

Questions	Postulates of the positivist paradigm	Postulates of the phenomenological approach
How does the world work?	There is only one objective reality, which can be understood by studying its constitutive parts	There are multiple realities, which are socio-psychologically constructed and interconnected into a whole
What is the relationship between the knower and the known?	The knower can objectively observe that which is to be known	The knower and the known depend on each other for knowledge
What role do values play in understanding reality?	The knower can suspend his/her values in order to understand	Values mediate and shape the meaning of what is to be understood
Are causal linkages possible?	One event precedes another and can be said to cause it	Multiple events shape one another in a multidirectional way
What is the possibility of generalisation?	Generalisations can be made from one event, place and time to another	Events in one place and time can only offer tentative explanations
What does research contribute to knowledge?	Verification or proof of propositions	To discover or uncover the underlying meaning behind the proposition
	Quantitative research	Qualitative research

	approach	approach

Adapted from Lincoln and Guba (in Maykut & Morehouse, 2001:12)

1.5 CHOICE OF RESEARCH APPROACH AND METHODS

Public Administration research must have practical utility in terms of:

- understanding the problems of society better; and
- managing and controlling the affairs of society better.

It has been imperative for the researcher to take a literary position in terms of which understanding of the concepts would be relevant given the institutional context in which the LRAD programme was administered. The choice of which meaning to attach to concepts within the context of the study will influence the choice of research methods as well as the questions to ask. The challenge therefore is to mesh into a coherent and intelligible whole the pre-emptive position and understanding of the researcher with the knowledge and experiences of the participants, to create a new understanding with regard to challenges in the administration of the LRAD programme. The above postulate that the knower and the known depend on each other for knowledge (Maykut & Morehouse, 2001:12) is valid in this regard. The choice of research methods, research techniques, as well as questions to be asked has to be designed such that the methods and techniques recognise the mutual dependence of the knower and the known on knowledge.

In the context of this study, *administration* refers to exercising the functions that are common among the actions undertaken by government institutions with the purpose of accomplishing the goals and objectives of public policies (Botes, Brynard, Fourie, & Roux, 1992:298).

The generic approach to Public Administration as proposed by Cloete (1994:58-59) classifies the generic functions (classified into conceptual and managerial) as follows:

- policy-making and analysis;
- organising;
- staffing;
- financing;

- determining work methods and procedures; and
- controlling.

These functions are not independent from each other. In the administration of government policies, managers integrate the generic functions in a manner that ensures the achievement of policy objectives. LRAD programme administration involves the integration of the generic administrative functions towards the achievement of the target to redistribute 30% of white-owned agricultural land by the year 2014. Effective administration of the LRAD programme means the achievement of the policy outputs, and policy integration by management is instrumental in achieving LRAD programme outputs. *Governance* in the context of this study refers to the integrated interaction of systems, procedures and human dynamics in order to achieve LRAD programme objectives. This position is consistent with the view by Heinrich and Lynn (2000:4-5), namely that in the context of public policy administration, governance implies a configuration of interrelated factors which induce public programmes and performance of government institutions, and also mediate the effects of particular strategies undertaken to bring about particular changes in society. The configuration of these factors depends on temporal, spatial and institutional effects.

A given configuration provides a context for administration of the LRAD and induces or constrains the performance of the institutions responsible for implementation of the programme. It also mediates the effects of the strategies undertaken to bring about changes as envisaged in the programme. In the context of public policy administration, a given governance regime can by extension to the reference made above for institutions, induce or constrain the exercise of effective management. It is therefore important to understand the governance context as manifested by the configuration of major occurrences during crucial times since the inception of the LRAD programme and to understand the possible effect they had on the successful implementation of the programme.

The exercising of managerial functions involves integration of government policy in order to achieve the objectives set out for the programme. The management therefore performs an enabling function in the accomplishment of the programme objectives. The study also assumes the position that the exercising of managerial functions do not rest

with one individual at the top of the hierarchy, but with managers with collective managerial responsibilities. In the context of the foregoing statement it is evident that since the administrative executives change, public institutions will always continue to pursue the broader goals of society. The research does, therefore, not concern the managerial qualities of individual managers, but how the managerial functions were exercised to adapt the institution to changes in the framework for LRAD programme administration. Given the above motivation on governance and leadership, a qualitative approach is being adopted. The following section discusses the various qualitative research methods to be used for collecting data.

1.6 QUALITATIVE RESEARCH METHODS

1.6.1 Case studies

A case study method refers to "the in-depth examination of a single instance of some social phenomenon" (Babbie, 2005:306; Flyvbjerg, 2006:220). The term *case* can be used to refer to a number of phenomena; as such there is no universal consensus (Ragin & Becker in Babbie, 2005:306; Baker, 1994:299). The case being studied might refer to a group of people, a single organisation, an event, a decision such as a policy or programme, a period of time, a phenomenon taking place within an institution, or a combination thereof. In the context of this research, a case refers to a combination of institutions, namely the North West Provincial Government, and the LRAD programme, and the six-year period since inception in August 2001 up until the 2006/07 financial year during which the programme was administered.

A case study is useful in evaluating the effectiveness by which government institutions that receive public funding have administered public programmes (Baker, 1994:302). Case studies can be used for descriptive purposes, or can serve to yield valuable explanatory insights (Babbie, 2005:306; Flyvbjerg, 2006:223). Case studies can also take on an idiographic approach to understanding the causal factors pertaining to a specific occurrence, while is some instances they can serve as the basis for development of more general theories consistent with the nomothetic approach (Babbie, 2005:306; Flyvbjerg, 2006:223). The grounded theory method serves as an example of a nomothetic approach (Babbie, 2005:306), and will be discussed below.

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1.6.2 Grounded theory

Grounded theory resulted from a synthesis by sociologists Barney Glazer and Anselm Strauss (Babbie, 2005:304; Gabrielian in Miller & Whicker, 1999:188) of a positivist paradigm, which emphasise a more systematic approach to research, with the interactionist paradigm. Glazer and Strauss's method focuses on the interpretive process and the meaning that people attach as they interpret the phenomena which they encounter, and the potential for the interpretive process to generate theories (Douglas, 2003:44; Suddaby, 2006: 633-634). Theories are developed through an iterative process of 'constant comparison', which requires the researcher to analyse data as it is being collected (Corbin & Strauss, 1990:6; Parry, 1998:89; Suddaby, 2006:634,). When engaging in the process of constant comparison, original propositions of the nature of relationships between phenomena (as informed by substantive theory in a particular scientific discipline) are validated against observational data, until grounded theory emerges, which outlines patterns, themes and common categories as they relate the concepts, their properties and their dimensions in a systematic way (Babbie, 2005:305; Gabrielian in Miller & Whicker, 1999:188; Parry, 1998:89).

Glaser and Strauss (in Perry, 1998:788) concede that "in practice it is difficult to ignore a theory accrued in one's mind before commencing the research process", hence Perry's view (1998:789) that pure induction might deny the researcher an opportunity to benefit from existing theory which he/she can employ as evidence to corroborate the research findings through triangulation, and that pure induction might limit the possibility of generating new theories.

Grounded theorists thus often undertake a study with background information about the phenomenon which they are to study, which serves as vantage point in terms of:
- formulating initial conceptual assumptions about the phenomenon; and
- the kinds of questions to ask in relation to the research topic (Charmaz, 2006:16).

The solution is therefore to find a trade-off between pure deduction (the use of prior theory as it exists in literature), and pure induction (concepts and theory as they emerge from exploratory studies), through a process that informs the research protocol of the

main or full-blown study and does not attempt to force the data to fit a priori determined assumptions, concepts and categories derived from literature (Perry, 1998:790; Suddaby, 2006:635). Corbin and Strauss (in Babbie, 2005:305) are of the opinion that for the researcher to be both systematic and creative, the following three guidelines must be followed:

- the researcher must assume that the data do not lie, and should constantly question his/her perception of reality against actual data;
- to treat all theoretical explanations, categories, hypotheses and questions about data, as provisional and continue subjecting them against actual data until the final picture emerges; and
- the researcher must be rigorous in the collection and analysis of data.

A *concept*, which is the basic unit of analysis for describing or explaining the relatively stable and recurrent features of a phenomenon, and not *data* which is idiosyncratic to a particular investigative context and thus unstable (Haig, 1995:4), earns the right to form part of the theory by repeatedly being present in interviews, observations and official government documents in one form or another (Corbin & Strauss, 1990:7). The other concept pertaining to grounded theory development is *theoretical sampling*, whereby decisions about which data to collect next are informed by the concepts pertaining to the phenomenon under study and the theory as it is being constructed and emerging (Corbin & Strauss, 1990:8; Suddaby, 2006:634). The concept of *constant comparison* works against the positivist understanding of the separation of data collection and data analysis (Corbin & Strauss, 1990:6; Suddaby, 2006:634), whereas *theoretical sampling* goes against the ideal of hypothesis testing in that data to be collected next are not informed by an a priori determined hypothesis but by hypothesis evolved from data (Suddaby, 2006:634). When undertaking theoretical sampling, the researcher selects individuals, a group or groups, organisation/s, or a community that can best represent the phenomenon that he/she wants to study, and where predetermined concepts, their properties, dimensions and variations can be adequately studied (Corbin & Strauss, 1999:8).

In a typical government work situation, the researcher would thus be sampling the following (Corbin & Strauss, 1999:8):

- the incidents, events and happenings which denote the work that an organisation does, or that individuals within an organisation do;
- the conditions that facilitate, interrupt, or prevent the work;
- the action/interaction by which it is expressed; and
- the consequences that result.

Grounded theory use coding as the key analytic process, of which open coding, axial coding and selective coding can be distinguished (Douglas, 2003:47; Gabrielian in Miller & Whicker, 1999:188; Weiss & Llyod, 2002:62; Zafeiriou, Nunes & Ford, 2001:85). Data coding begins with *open coding*, which is "the process of breaking down, examining, comparing, conceptualizing and categorizing data" (Douglas, 2003:47; Gabrielian in Miller & Whicker, 1999:188; Weiss & Lloyd, 2002:62; Zafeirou *et al*., 2001:85). The process begins by attaching conceptual labels to actions, attitudes or views as they emerge from data (Douglas, 2003:47; Weiss & Lloyd, 2002:62).

Axial coding is the next possibility after open coding, and involves a systematic process of making causal connections between categories (Douglas, 2003:47-48; Gabrielian in Miller & Whicker, 1999:188; Weiss & Lloyd, 2002:63; Zafeiriou *et al*., 2001:85). *Causal conditions* are defined as "events or incidents that lead to the occurrence or the development of the phenomenon" (Coyle, 1999:104; Gabrielian in Miller & Whicker, 1999:189).

Selective coding involves the selection of the core category or central phenomenon, and linking all other categories to the core category (Douglas, 2003:48; Weiss & Lloyd, 2002: 63; Zafeiriou *et al*., 2001:86). All the other categories must be directly or indirectly linked to the core category by way of context or setting, causal and intervening conditions, actions, interactions and consequences (Corbin & Strauss, 1990:14; Douglas, 2003:48). The core category can emerge from existing categories, in the absence of which an abstract term can be developed to describe the core category (Corbin & Strauss, 1990:14):

- *context* refers to the environment in which the phenomenon under study is embedded or occurs (Coyle, 1999:104; Eisenhardt & Graebner, 2007:25);

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- the *action/interaction strategies* are the intended (formal, strategic and operational), unintended, and informal choices made within a particular context or setting in response to a phenomenon (Coyle, 1999:104);
- *intervening conditions* are defined as the "broad and general conditions bearing upon action/interaction strategies", which may include time, space, culture, economic status, technological status, career, history and individual biography (Gabrielian in Miller & Whicker, 1999:189), whereas Coyle (1999:104) defines them as the structural conditions that enhance, facilitate, or constrain the action/interaction strategies; and
- *consequences* are outcomes of the action/interaction strategies (Strauss & Corbin in Coyle, 1999:104), and they represent not so much the achievement or non-achievement of policy outputs, but the existence of specific key factors, which ultimately are critical in the achievement or non-achievement of policy outputs.

A simplified model of axial coding (Gabrielian in Miller & Whicker, 1999:189) is presented in figure 1.2.

Figure 1.2: A simplified model of axial coding

(A) Causal conditions ⟶ (B) Phenomenon ⟶ (C) Context ⟶
(D) Intervening conditions ⟶ (E) Action/interaction strategies ⟶
(F) Consequences
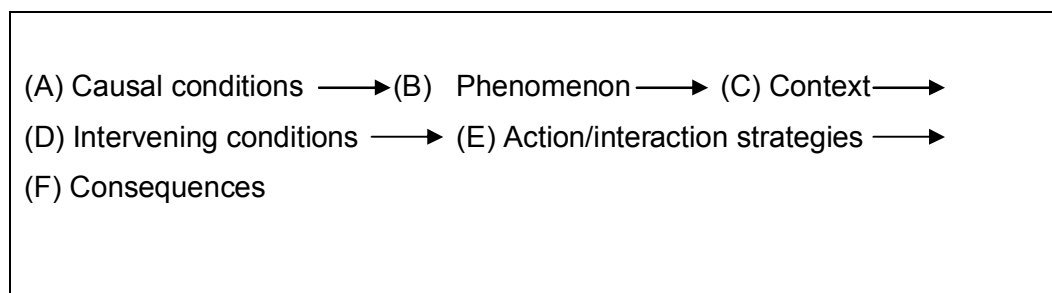
Source: Gabrielen (in Miller & Whicker, 1999:189)

1.6.3 Content analysis

Content analysis as an unobtrusive method was developed out of the assumption that the material that people produce, in the form of texts or artefacts, is embedded in ideas that people have about the social world (Bos & Tarnai, 1999:660; Hesse-Biber & Leavy, 2006:286;). In the context of public institutions, which are the subject of this study, the people working within them routinely produce and consume written records. These records serve as a rich source of description of the role that public officials and political office-bearers have played as well as the activities carried out in the administration of government policies (Silverman, 2004:57).

Documents such as annual reports and strategic plans deal with issues of public accountability as well as the marketing of the activities of the institution, and are therefore mainly for external consumption to the legislature and the general public (Silverman, 2004:57). Some documents such as special and weekly performance reports are generated at the level of individual interactions between staff and clients, as well as among employees, and can be used in the management and validation of operational activities as well as for strategic purposes (Silverman, 2004:57). When undertaking content analysis, a researcher must decide whether to focus on manifest content (i.e. what the text says literally), or latent content (i.e. what the text talks about, alternatively, an interpretation of the underlying meaning of the text) (Graneheim & Lundman, 2004:106). Documents have inter-textual meaning; therefore their analysis must not be based on a single document alone, but on how they relate to one another (Bos & Tarnai, 1999:661; Silverman, 2004:67). In this context, documents do not only serve to mirror socially constructed reality (Bos & Tarnai, 1999:660), but they reflect and refer to other documents in a relationship based on sequence and hierarchy (Silverman, 2004:67).

In the context of an organisational setting, the inter-textual linkages can be used to identify texts dealing with particular issues, how issues have been translated into official records of the organisation, decisions taken or a lack thereof, actions taken to deal with specific issues, social systems through which documents pass, the authority relationships, events that took place at the level of those superior or subordinate to the originators, the date and time when specific actions were undertaken and documents

generated, distribution and exchange of documents; and finally the consequences of the whole process of information exchange (Silverman, 2004:69).

The method of content analysis uses "non-living forms of data", which are non-interactive and exist independent of the researcher (Reinharz in Hesse-Biber & Leavy, 2006:286). Content analysis is considered to be 'naturalistic' in that it differs from other qualitative methods where data is influenced by the interaction of the researcher with the research object (Hesse-Biber & Leavy, 2006:286). However, documents are, in the way that they are produced, shared and used, constructs of a social setting. Such documents may not truly represent the actual routine of organisational activities as well as decision-making processes (Silverman, 2004:58). Post-structural thought assume that a text is socially constructed, and can assume different meanings about reality depending on the approach taken by the researcher to unravel how the text assumed its current form (Hesse-Biber & Leavy, 2006:286). Content analysis should be used with other qualitative methods in order to derive meaning from the phenomena being studied (Silverman, 2004:58).

Content analysis was originally used in the examination of written texts where quantitative methods were applied to determine the number of times a particular phenomenon under study appeared in the text (Bos & Tarnai, 1999:663; Hesse-Biber & Leavy, 2006:286). However, the modern understanding of this method is that of a 'hybrid technique', which bridges statistical formalism and the qualitative taxonomic approach to data classification (Bos & Tarnai, 1999:666; Bauer in Hesse-Biber & Leavy, 2006:287). A quantitative approach to content analysis takes on a linear model of research design with a preconceived set of steps to follow, whereas a qualitative approach follows a spiral inductive research design where the data generated would determine the data codes and classifications, as well as the meaning they have for the researcher (Hesse-Biber & Leavy, 2006:290-291).

Template analysis refers to a set of techniques used to thematically organise and analyse text data (Cassell & Symon, 2004:256). A researcher produces a list of codes or templates representing the themes that are emerging from textual data, some of which might have been developed a priori. The a priori themes will, however, be modified and adjusted as and when the text is interpreted (Cassell & Symon, 2004:256).

The technique of template analysis as used in content analysis has similarities with grounded theory as discussed above, with regard to abstraction of data to higher levels of analysis through the use of codes and categories (Graneheim & Lundman, 2004:106). Template analysis can be used in the realist qualitative approach where the emphasis is on identifying the underlying causes of human action, or it can be used in *contextual constructivist* qualitative approaches where the underlying assumption is that of multiple interpretations to a phenomenon (Cassell & Symon, 2004:256; Graneheim & Lundman, 2004:106).

1.7 MOTIVATION FOR THE STUDY

The Government of the Republic of South Africa introduced various policy reform measures when it came into power in 1994, to bring about social and economic transformation. Some of the reform measures were aimed at redressing the injustices of the past, which were introduced and enforced by the previous Government. The country is now required to conform to international conventions after South Africa was accepted as a member of the supranational and international political fraternity.

One of the injustices committed by the previous Government was limiting African people's rights in land. This was done through statutory means, when the Natives Land Act (27/1913) was enacted to grant 87% of the land to White people. African people were forced to abandon their ancestral as well as leased land on which they depended for their livelihood, and were cramped in homeland areas where conditions for farming were less favourable. The results of this crowding-off effect were:

- overstocking;
- erosion of overgrazed land;
- subsistence farming;
- rural areas turning into sources for supply of migratory labour; and
- dependence of rural areas on wage income from the urban areas.

In an effort to redress these socio-economic imbalances stemming from past injustices, the post-1994 Government introduced a land redistribution programme, which serves to broaden ownership by Black people of agricultural land, as well as the restitution programme aimed at restoring ownership of land to those individuals and communities

who were dispossessed of their land through state-aided coercive means. The LRAD is a redistribution programme introduced in 2001, and it contributes towards the goal of redistributing 30% of White-owned agricultural land to Black people by 2014.

The introduction of the LRAD programme coincided with other macro policy reforms, which defined the environment which beneficiaries of the LRAD programme were to operate in. Such reforms include the deregulation of the market in line with global trends driven by the neo-liberal agenda, in which:

- the direct role of the state in the economy was to be minimised;
- countries were to liberalise their markets; and
- the size of the public service was to be reduced and some market mechanisms for public service delivery were to be introduced.

Other reforms introduced during this period were the new regulations for water usage, of which the agriculture sector is the biggest consumer. Changes were also introduced in the labour laws with minimum wages being prescribed for farm workers. The Government introduced specific support programmes to facilitate the smooth adaptation of beneficiaries of the land reform programme on the newly acquired farms, to ensure that they are able to use these farms productively. One such programme introduced by the Government is the Comprehensive Agricultural Support Programme (CASP). CASP funds are conditional grants issued in terms of schedule 4 of the annual Division of Revenue Act and are meant to supplement the earmarked funds allocated to provinces in terms of the equitable share of national revenue. In addition to the direct financial support given to farmers, a provincial department of agriculture is expected to provide support to land reform beneficiaries in terms of technical aspects of production, as prescribed in schedule 4 of the Constitution of the Republic of South Africa, 1996.

From a political point of view, previously disadvantaged people expect the Government to implement the policies speedily in terms of:

- restoring to previous owners land that was previously taken from them; and
- redressing redistributive injustices as manifested by imbalances in terms of land ownership.

The Government should at the same time not allow pressure that is brought to bear by land interest groups to result in the process of land redistribution being against the spirit and letter of the Constitution of the country, as well as other agreements and compromises reached at political level. The Government expects that those it intends to benefit through the redistribution programmes would be patient enough to allow the process to proceed in an orderly manner, while those whose land has been targeted by the redistribution policies would co-operate by making the land available for sale through a willing-seller, willing-buyer arrangement. However, the following issues emerged during the National Land Summit (2005:8-9):

- Participants confirmed that "the current approaches are not delivering land at the scale required to reach the target of 30% of White owned agricultural land redistributed by the year 2014, and is also not realising the full potential of developmental benefits associated with land reform".
- "There is an urgent need to change the approach in order to deliver far reaching, but orderly, land and agrarian reform during the next ten years", from 2005.
- "The overwhelming majority of participants in the summit reject the notion that the land reform process should be based solely on the notion of willing-buyer, willing-seller" (WBWS).
- "Notwithstanding the need for partnerships, the state needs to assume a stronger leading role in ensuring accelerated and sustainable land and agrarian reform".

It was concluded that market mechanisms alone will not bring about the kind of fundamental structural change that all in the land summit agreed, is needed, and that state capacity (land summit referred to state instead of government) and resources will have to be substantially enhanced in all three spheres of government in order for the state to meet the obligation of accelerating land and agrarian reform. The enhanced capacity of the state will then be used to target beneficiaries, identify and acquire land for redistribution and support beneficiaries with a variety of support mechanisms, to enable them to become self-reliant. The land summit also concluded that enhancing the state capacity must also deal with constraints within the departments of Land Affairs and Agriculture, and must also bring about better co-ordination between government departments and spheres as a whole.

At the National Land Summit (2005:51), Moyo made a contrast between land reform in Zimbabwe and South Africa through his presentation on:

- the land arrangements and legislation of South Africa and Zimbabwe;
- how the situation pertaining to the radicalisation of land reform in Zimbabwe came about; and
- the negative consequences of international economic isolation in response to the radicalisation of land reform in that country.

The land reform developments in the neighbouring Zimbabwe put pressure on the South African government to handle land reform in an orderly manner. The United Nations, of which South Africa is a member and a co-signatory to the declaration on human rights, as well as institutions such as the World Bank and the International Monetary Fund (IMF), take note of progress on how the Government would manage the process of redistribution of land to the previously disadvantaged people. Both institutions have been instrumental in instituting structural adjustment programmes as well as land and agrarian reform in a number of developing countries. Simultaneously, the Government has to protect the property rights enjoyed by those who currently own agricultural land which has been acquired either through property market transactions, or through the assistance and support of the previous Government.

In the report of the National Land Summit (2005:8), it is noted that "not only is land and agrarian reform necessary to undo the injustices of history, it must also be a central component to economic transformation, and contribute towards realizing the goals of accelerated and shared growth". The Government is thus aware of the fact that while land redistribution is a politically correct action, its implementation should not be done in a way that will destabilise national food security and the country's competitiveness in the global market. The Government must therefore be concerned that those who have been given the opportunity to own agricultural land are able to farm the land in a productive manner, contributing to economic growth as well as national and household food security.

In the report of the National Land Summit (2005:8), it is also remarked that "international experience points to a strong association between a more equitable distribution of land and higher living standards, lower levels of rural poverty, stronger growth performance

and a more equal distribution of the national income". The third importance of land redistribution therefore lies in the fact that land is a source of livelihood. The LRAD programme not only serves the purpose of redistributive justice, but also provides beneficiaries with an opportunity to generate their own income and increase their asset base, as well as produce their own food to support their households. These beneficiaries are also exposed to new skills and knowledge, which could positively influence their perception of life in general and their self-esteem in particular. It enables them to engage in transactions which would otherwise have been impossible to do, had they not been owners of land.

Land gives the owners and members of projects a sense of belonging and identity, and increases their social standing in their respective communities. Through the LRAD programme the Government intends to turn people who had the potential but were marginalised from participating in the mainstream economy, into productive citizens who can contribute meaningfully to economic growth while at the same time uplifting their standard of living. The LRAD programme is also intended to change the structure of the agricultural sector by increasing the number of farmers from previously disadvantaged backgrounds participating in commercial farming or the so-called first economy. The contribution of agriculture to the rural economy will be enhanced, and the dependence of rural areas on wage income will decrease. Decongestion of the already overcrowded rural areas will enable the Government to introduce more effective natural resource management programmes, as overstocked, overgrazed and eroded areas will get a chance to be rehabilitated.

Public funds were appropriated towards the LRAD programme for the purpose of improving the social and economic status of the previously disadvantaged people of this country. The success of the programme will help the Government to justify the opportunity cost of investing in this programme, as opposed to other societal priorities to which funds appropriated for the LRAD programme could have been utilised. As indicated in the report of the National Land Summit (2005:8), "all participants renewed their commitment to ensuring the redistribution of at least 30% of White owned agricultural land by the year 2014".

The stakeholders consulted during the National Land Summit thus gave the Government a clear mandate to:

- continue with the LRAD programme;
- pursue the land redistribution targets set for 2014;
- assume a leading role pertaining to land redistribution;
- put more financial resources towards land redistribution;
- improve the capacity of the state to implement redistribution programmes;
- ensure better co-ordination between government departments and spheres of government; and
- deal with developmental issues of poverty reduction and sustainable development.

1.8 OBJECTIVES OF THE STUDY

The objectives of the study are:

- to create an understanding of the impact of administration on the achievement of LRAD programme objectives;
- to identify weaknesses in LRAD programme administration; and
- to suggest a model for understanding the impact of policy integration on LRAD programme administration.

1.9 LIMITATIONS

The limitations of the study are as follows:

- due to limited financial resources, it was not possible to cover all areas covered by the LRAD programme;
- not all key informants could honour appointments for structured interviews; and
- not all the source documents requested for the study could be provided by the relevant parties.

1.10 STATEMENT OF THE PROBLEM

The LRAD programme was introduced in August 2001, as a redistribution programme replacing the Settlement and Land Acquisition Grant (SLAG) programme. The SLAG programme was the first attempt by the new democratic government of South Africa to redistribute White-owned agricultural land to Black people. Through the SLAG programme, beneficiary households received a grant of R16 000 per household for land acquisition.

Land redistribution carried out through the SLAG programme did not yield positive results as anticipated by the Government. The SLAG programme had up to the end of 2000 transferred close to 780 407 hectares to the intended beneficiaries, which represented only 3% of the 25 million hectares that the Government planned to have redistributed by then. Given the performance of land redistribution under the SLAG programme, the incoming Minister of Agriculture and Land Affairs commissioned a study in June 1999 to review the land redistribution programme. She also imposed an immediate moratorium on the SLAG programme early in the year 2000. It was on this basis that the Government introduced the LRAD programme to bring about improved performance of the land redistribution programme in terms of agricultural land redistribution.

It emerged that the implementation of the LRAD programme does not yield positive results in terms of meeting land redistribution targets as the Government had anticipated. The Government acknowledged the fact that in spite of policy changes aimed at improving the pace of land redistribution, service delivery has not been according to expectations.

The White Paper on Land Policy (1995) recognises that certain instrumental objectives are critical for achievement of land reform goals and objectives, namely:

- integration of government policy with respect to support services to land reform beneficiaries such as property valuation, infrastructural support in respect of newly acquired farms and other developmental programmes such as provision of agricultural extension services; and

- an effective institutional framework for service-delivery, which is manifested by a strong partnership between national, provincial and local-level administrations.

The research focuses on establishing the extent to which the administration of the LRAD programme enables the Government to achieve its land redistribution policy goals and objectives.

1.11 RESEARCH QUESTION

In recognising the important role of instrumental objectives in the achievement of land reform goals and objectives, the Government acknowledges the instrumentality of public administration in land reform and that without effective administration of the LRAD programme, the land redistribution target of 30% of White-owned agricultural land redistributed to Black people in 2014 will not be realised. The research question is as follows:

To what extent has there been integration of government policy pertaining to the LRAD programme administration, and to what extent has government policy integration been a factor in effective administration (i.e. in terms of achievement of policy goals and objectives) of the programme?

1.12 DATA COLLECTION METHODOLOGY

The research is about the administration of the LRAD programme in the North West Province. The administration of the programme takes place within a context of intergovernmental relations. The framework for LRAD programme administration is mandated by a number of government policies.

In terms of institutional theory, the governance regime is considered a fixed constraint, as such, management of LRAD administering institutions would, in administering the programme, be expected to conform to the norms and expectations imposed by exogenous factors in the external environment (i.e. mainly from those who are setting the rules, namely the administrative executives at the top of the organisational hierarchies as well as political office-bearers). The continued survival and future flow of

resources to the institution are legitimised by compliance to these externally validated norms. In terms of administration of government policies, the normative expectations as described in Section 41 of the Constitution of the Republic of South Africa,1996, are for organs of state to ensure overall effective administration of the Government by supporting one another through:

- integrating government policy;
- developing institutional mechanisms for joint administration of government policy; and
- sharing of resources.

The resource dependence theory presents the framework for the LRAD programme as characterised by resource dependence interrelationships. Effective administration of the LRAD programme cannot be achieved unless the management of implementing institutions establishes and maintains effective intergovernmental relations. In terms of resource dependence theory, the framework for LRAD programme administration presents opportunities for implementing institutions to co-operate with one another, co-ordinate programme implementation and leverage much-needed resources. However, implementing institutions face the risk that some institutions might withhold the support and resources required by them to play their individual roles in terms of LRAD administration as well as other roles as members of a collective governance network, or might lack the internal capacity to provide the requisite resources and support. However, in terms of the resource dependence theory, the framework for LRAD administration is not viewed as a fixed constraint, thus managers of the implementing institutions are perceived as capable of taking rational decisions, interpreting the policy and the environment impacting upon the administration of the LRAD programme, and developing survival and adaptation strategies to ensure that effective administration of the programme is achieved. Public officials are capable of engaging in interpretive processes pertaining to LRAD programme administration, thus creating meaning and a new set of conditions for administration of the programme based on their own understanding of reality.

Data were collected via structured interviews (see Appendix 4 for copy of interview schedule) from key respondents responsible for LRAD programme administration in the Department of Land Affairs (DLA, now a full ministry and designated as Department of

Rural Development and Land Affairs), and the Department of Agriculture, Conservation and Environment (the DACE) in the North West Province. A list of key questions (see Appendix 4) was designed to guide and standardise the interview process for all respondents. Initially, the questions were designed to elicit from the respondents their experiences in terms of LRAD administration during two sub-periods of the study period, namely:

- period 1, which starts from inception of the programme in August 2001, and ends in the 2003/04 financial year; and
- period 2, which starts from the beginning of the 2004/05 financial year, and ends in the 2006/07 financial year.

The significance of period 1 is that the national Department of Agriculture (DOA) had not yet launched a programme for post-settlement support of land redistribution beneficiaries. CASP was launched in the 2004/05 financial year by the DOA as a conditional grant for provincial departments of agriculture (PDAs) to give post-settlement support (70% of funds meant for land reform beneficiaries) to land reform beneficiaries.

It was anticipated that because respondents have been involved with LRAD programme administration since its inception, they would provide information that was unique to each of the above-mentioned periods. The same set of questions was to be used for both periods. However, during the first interview it became clear that other than the respondents recognising these two periods as distinct, the responses were almost similar for both periods thus not allowing for the dynamics of both periods to come through. The researcher then made an adjustment by combining the two periods into one period stretching from the inception of the programme in August 2001 up until the end of the 2006/07 financial year, with the same set of questions being used but complemented by documentary evidence to comprehend what was happening, where, when and how.

The interview questions (see Appendix 4) were mainly intended to obtain the following information from the respondents:

- their understanding of what effective administration of the LRAD programme entails;
- their understanding of their roles in particular (i.e. roles other than those described in the policy documents), those of the management of their institutions and those of their institutions in LRAD programme administration;
- their understanding of the constraints and opportunities presented by the framework for LRAD programme administration;
- their understanding of the nature of the dependency relationships among the institutions responsible for LRAD programme administration and how these enabled or constrained effective administration; and
- their understanding of the survival and adaptation strategies employed by their institutions when administering the LRAD programme in an intergovernmental implementation context.

The respondents targeted for interviews were the directors responsible for the administration of agricultural extension services in the four administrative districts of the DACE, the deputy directors responsible for the administration of agricultural extension services, as well as the deputy directors and director from the Farmer Settlement Directorate of the DACE. From the North West Provincial Land Reform Office (NWPLRO) of the DLA, the target respondents were the chief director, the deputy director for Policy Implementation Support Unit (PISU) and the regional managers.

Before interviews could commence, letters were written to the chief directors of both institutions, explaining the background and purpose of the study. The letters also requested permission to conduct interviews as well as to have access to official reports and other official documents, which the researcher would identify as critical for the study. Permission was granted in writing by both institutions. Even though permission was granted by the chief directors, letters were further sent to district directors of the DACE, as well as regional managers of NWPLRO, informing them of the decision taken by their respective institutions to grant approval for the study, as well as the schedule for interviews.

The DACE gave the researcher access to:

- annual reports; and
- strategic plan documents.

The NWPLRO gave the researcher access to:

- operational plans;
- quarterly reports;
- annual reports;
- provincial database of all LRAD projects submitted for funding;
- special reports submitted to the DLA; and
- special documents such as LRAD institutional arrangements.

One standard set of guideline questions (see Appendix 4) was used for all interviewees. A tape recorder was used and responses transcribed verbatim by the researcher. The responses were analysed to distil common and recurring themes and individual issues. The responses were then coded, categorised, and given conceptual labels.

Supplementary information was sought in writing or verbally by the researcher, as a follow-up to the interviews, with a view of gaining more insight into why certain administrative occurrences happened the way they did. This additional information was sought from:

- the deputy director of PISU at the NWPLRO;
- the director of human resource management at the DACE;
- the acting director of agricultural economics at the DACE; and
- the assistant director of administration at the NWPLRO.

From the NWPLRO, three regional managers (deputy director level), the deputy director of PISU and the chief director were interviewed. From the DACE, the researcher only managed to secure interviews with two deputy directors from the District Services Chief Directorate, as well as the deputy director responsible for farmer settlement support. The respondents had sufficient institutional memory given the fact that they had on average 11 years of service in their respective institutions, an average of six years working with LRAD implementation in various capacities as managers (with five respondents having

been involved since inception in the 2001/02 financial year), while some were involved as planners and later as managers.

1.13 CONCLUSION

In this chapter the following issues were presented:

- the topic;
- the rationale for the introduction of the LRAD programme; and
- the rationale for the choice of research methods.

The problem statement highlights the reason why this research is being undertaken. In the problem statement, it was highlighted that the administration of the LRAD programme is instrumental in achieving the land redistribution policy goals and objectives of the Government, hence the importance of this research.

Having outlined the methodology to be followed in terms of conducting research, the following chapter introduces the historical problem of land ownership in South Africa. The post-1994 Government introduced land reform programmes such as the LRAD, with a view of redressing the past injustices in terms of rights in property, but also as a way of building a new society based on equal opportunities for all.

CHAPTER 2

INTRODUCTION AND BACKGROUND TO THE LAND PROBLEM IN SOUTH AFRICA

2.1 INTRODUCTION

The aim of this chapter is to give a brief discussion of the problem of land acquisition and dispossession in South Africa. The transformation in agrarian and land policies brought about by the new Government in 1994 should be understood in the context of the land policies introduced by the previous Governments. It is therefore important to retrace the steps in history with a view of not only trying to understand the policies themselves and their intended as well as actual effects, but also the broader governance mechanisms put in place to formulate and administer the policies. However, since the study is not about the history of South Africa, no attempt will be made in this chapter to give an in-depth discussion of the history of the country, but only as far as it relates to the current topic of land reform.

The history of the land problem predates the formation of the Union of South Africa in 1910. The authority vested in the state during and after the era of the republics and colonies, was used as an instrument of conquest, suppression, dispossession and marginalisation with a view of creating political, economic and social benefits for White people over Black people. The Government that came into power in 1994 obtained a mandate from the electorate to create a non-racial and non-sexist society based on respect for human rights and the rule of law. The Constitution, 1996, also enjoined the Government to bring about a public administration that has a developmental outlook in its approach to meeting the needs of society. It is therefore against this background that the agrarian and land reform measures put in place since 1994 by the new Government should be understood.

2.2 LAND POLICY IN COLONIAL SOUTH AFRICA

2.2.1 The first period in the Cape Colony

The colonial history of South Africa can be traced back to the time when the Dutch East India Company (VOC) landed in the Cape in 1652 (Keegan, 1996:14; Worden, 2007:10). Christopher (1971:2) argues that in southern Africa, the Cape Dutch system and British imperial system had a profound effect on land policy and settlement patterns. According to Christopher (1971:2) the British system impacted on Natal the most in the second half of the nineteenth century and on the Cape of Good Hope for a short period, while the Cape Dutch system was dominant in the rest of southern Africa. The British imperial system has similarities with the American system adopted in 1735 after the American War, which system was based on surveys of land and disposal by public auction (Christopher, 1971:2). The Cape Dutch system was developed and evolved during the period 1652 to 1806 and was based on land grants (Christopher, 1971:3). The discussion that follows will briefly outline how events evolved with regard to land issues, up until the Union of South Africa came into being in 1910.

When the Dutch East India Company established a base at the Cape of Good Hope, it did not originally favour the establishment of settler communities, but this came about due to a need to sustain the company with food for its employees, as well as cater for the passing maritime traffic (Christopher, 1971:3; Keegan, 1996:14). It was on this basis that the company granted certain employees free-burgher status and allowed them to set up as independent farmers, establishing themselves first in the Cape Peninsula and later extending their reach as far as the Boland (Keegan, 1996:14). During the process of establishing themselves as farmers, Dutch settlers came across the indigenous population in the Cape Colony, namely the San and KhoiKhoi (Khoisan) (Lee in Lee & Colvard, 2003:4). During these battles, the indigenous population was conquered and dispossessed of their land, and laws that favoured the colonists were introduced (Lee in Lee & Colvard, 2003:4; Worden, 2007:11). The dispossession of land and cattle, coupled with the introduction of a cash economy and a cash taxation system, landed the indigenous people of the Cape Colony into debt, forcing them into slavery as well as becoming labourers (Lee in Lee & Colvard, 2003:4). With the re-capturing of the Cape Colony by the British in 1806, European settlers were able to expand further into the

interior of South Africa where fierce battles were fought against indigenous people (Lee in Lee & Colvard, 2003:4; Worden, 2007:12-13).

The capture of the Cape Colony by the British in 1806 introduced, among others, the following changes, namely:

- the abolition of the slave trade;
- the abolition of the system of quitrent grants first introduced in 1654 to Company servants, and replacing it with the new imperial policy of land sales; and
- the abolition of slavery in 1834 (Lee in Lee & Colvard, 2003:4; Worden, 2007:13).

The colonists of Dutch origin namely the Afrikaners (hereinafter referred to as 'Trekkers') could not:

- tolerate living among free slaves (Christopher, 1971:4; Muller in Worden, 2007:14);
- tolerate living under British rule (Christopher, 1971:4), not only because of the freedom granted to slaves, but also of the "failure of the colonial administration to grant them representative government" (Worden, 2007:14). Etherington (in Worden, 2007:15) is of the view that in their bid to secure independence, the 'Trekkers' saw themselves as loyal subjects of the British Crown and not as Afrikaner patriots, a depiction which was granted to them later on in the nineteenth century when Afrikaner nationalism began to emerge; and
- the third reason as speculated by Peires (in Worden, 2007:14) is that the 'trek' was convenient to some of the individual 'Trekkers' for economic reasons, due to the fact that most of them were in debt, were heavily in arrears in terms of rent payments for land and thus could not acquire legal ownership (i.e. could not exercise option to purchase), and were running away from creditors who were pursuing them.

The imperial system was maintained by the Cape government until 1860, as such, forcing many more colonists to leave for other parts of South Africa (Christopher, 1971:4).

2.2.2 The establishment of Boer Republics

The period during which Boer republics came into being falls within the Victorian era, which spans the period 1837 to 1901, and during this era, the use of land as an instrument of colonisation was very manifest, with a great drive being witnessed to extend European settlement in southern Africa (Christopher, 1971:1; Worden, 2007:14). The "Trekkers" established in the beginning of 1838 three republics, namely Natalia (Natal), the South African Republic (Transvaal), and the Orange Free State, which were not administratively controlled by the Cape Colony (Worden, 2007:17-19). These republics were established by the 'Trekkers' after many battles fought with indigenous people with whom they came across along their way into the interior, in particular after the end of the Mfecane (Nguni) or Difaqane (Sotho) wars to consolidate the Zulu kingdom under King Shaka (Worden, 2007:15).

The Republic of Natalia was annexed by the British in 1843 (Worden, 2007:18), whereas the South African Republic and the Orange Free State were annexed in 1902 at the end of the three-year Anglo-Boer war (Worden, 2007:32-33). This war of conquest caused much suffering to Whites and Africans, women and children alike. Any hopes of Africans regaining major access to land were dashed when the British reneged on their pre-war rhetoric of redressing "injustices of Boer Native policy", with the resultant entrenchment of white supremacy in the South Africa Act, 1909 (Worden, 2007:35).

2.2.3 The Union of South Africa - 1910

The Union of South Africa ushered in the consolidation of power by White people in South Africa (Lee in Lee & Colvard, 2003:7; Worden, 2007:35). The period 1910 to 1948 was dubbed the segregation era, and the issues of primary concern during this period were the exercise of control over land and the exercise of control over the movement of African people (Lee in Lee & Colvard, 2003:7, Legassick, 1974:7; Worden, 2007:81). Most of the segregation measures implemented after 1910 can be traced to the recommendations of the South African Native Affairs Commission (SANAC), a commission appointed by the British to "establish outline policies for Africans" in the Union of South Africa (Marks & Trapido, 1979:71; Worden, 2007:81). The legislators and administrators of the time scaled up their efforts to ensure a sustained offensive against

the self-reliance and independence of the African people (Bundy, 1972: 383). Among the vicious pieces of legislation released during this period was the Natives Land Act (27/1913) and the Natives Trust and Land Act (18/1936).

The Natives Land Act (27/1913) prohibited African people from entering into any agreement or transaction to purchase, hire, or acquire from a person other than a 'native' any land except with the approval of the Governor-General. The Act had the effect of ensuring that it enforces racial segregation, dealing a blow to the practice of leasing of land by African people in white manorial estates, thus confining them to 7,8% of total land available and from which they were expected to do farming (Mbongwa, Van den Brink & Van Zyl in Van Zyl, Kirsten & Binswanger, 1996:37). The Beaumont Commission, which was appointed under the Native Land Act (27/1913) to organise the reserves, reported that scheduled land under the Act would be enough to accommodate only 50% of the 'native' population, and made a recommendation for further land to be released (Mbongwa *et al*. in Van Zyl *et al*., 1996:37).

The Native Trust and Land Act (18/1936) came into operation on 31 August 1936. The effect of the Act was the consolidation of the total area of land under the reserves to 13,7% of the country, by releasing the recommended 6 209 858 hectares of quota land to the original 7,8% of land in scheduled areas in terms of the Natives Land Act (27/1913) (Mbongwa *et al*. in Van Zyl *et al*., 1996:37). On page 3 of the Statement of Land Policy under the Native Trust and Land Act (18/1936), published on 23 February 1937, the following is made clear:

A corporate body known as the South African Natives Trust was to be established in terms of Section 4 of the Act, with the Governor-General as trustee. The South African Natives Trust was to be administered for the settlement, support, benefit and material and moral welfare of the African people of the Union. The Governor-General delegated this authority to the Minister of Native Affairs (acting in consultation with the Native Affairs Commission) on 8 October 1936 (Government Notice, 1566/1936). The Act not only vested in the South African Native Trust all of the established Crown and Trust 'native' locations and reserves and all Crown land in the released areas defined in the first schedule to the Act but in Section 10, in recognition of the essential fact that more land would be required for occupation by African people, empowered the Trust from time

to time to acquire additional land for settlement by African people until the land so acquired, together with that vested in the Trust by virtue of it having previously been Crown land in released areas, should reach a maximum of 6 211 075 hectares, apportioned between the various provinces as follows:

- Transvaal   4 307 488 hectares
- Natal   450 624 hectares
- Orange Free State   68 536 hectares
- Cape of Good Hope   1 384 427 hectares

The statement of the policy under the Native Trust and Land Act (18/1936) further notes that "The Trust then must make adequate arrangements for the administration, supervision and control of three different classes of land, viz:

- the old-established locations and reserves, scheduled native areas for the most part, which previously belonged to one or other of the former Trusts or were Crown locations for African people;
- land which was vested in the Trust by virtue of its having been, at the commencement of the Act, Crown land in released areas; and
- land subsequently purchased by the Trust for native settlement under section 10 of the Act"

In respect of the first type of land the following observation was made in the statement of policy under the Native Trust and Land Act (18/1936), namely that the existing locations for African people and reserves are congested, denuded, overstocked, eroded and, for the most part, in a deplorable condition. The statement of policy further notes that it would be a futile exercise to go ahead with acquiring the additional seven and a half million hectares unless remedial and redemptive measures are put for existing reserves.

With regard to the purchase of land by African people, the statement of policy under the Native Trust and Land Act (18/1936) notes that while additional trust land will from time to time be made available for the 'settlement' of African people, they should under exceptional cases be allowed to purchase land.

The period from 1910 not only heralds the beginning of dispossession of rights in land for African people (as owners as well as producers of agricultural produce) through the use of state resources, but also a concerted effort of state support for White farmers (Keegan, 1985:376; Kirsten, Edwards & Vink, 2007:2). According to Minaar (in Kirsten *et al.*, 2007:2), between the years 1910 and 1935, a total of 87 Acts were passed in support of White farmers, among which were the Land Bank Act (18/1912), The Land Settlement Act (12/1912), The Cooperatives Societies Act (28/1922) and The Marketing Act (37/1937) (Davies, Kaplan, Morris & O'Meara, 1976:18; Keegan, 1985:378), thus having the effect of creating structural dualism in the agriculture sector characterised by a more capital-intensive White commercial farmers and resource-poor African farmers (Kirsten *et al.*, 2007:2).

2.2.4 Apartheid policy and the homelands in South Africa - 1948

The tensions that existed during the period 1910 to 1948 between moderate and extreme white supremacists, culminated in 1948 in victory for the extremist group (Lee in Lee & Colvard, 2003:7; Worden, 2007:102-103). The National Party (NP) came into power in 1948 and this heralded the official introduction of the apartheid policy, and the maintenance of white supremacy (Lee in Lee *et al.*, 2003:7; Seidman, 1999:421). The Union government managed to establish a republic in 1961 after withdrawing from the Commonwealth (Worden, 2007:97).

The post-1948 Government entrenched the racial segregation policies of the Natives Land Act (27/1913), by introducing racial segregation among the various ethnic groups of the African population (Lee in Lee *et al.*, 2003:9; Mbongwa *et al.* in Van Zyl *et al.*, 1996:37; Seidman, 1999:421-422). Various pieces of legislation were introduced to make this objective a reality namely: The Bantu Authorities Act (68/1951), the Promotion of Bantu Self-Government Act (46/1959), the Bantu Laws Amendment Act (42/1964), the Bantu Homelands Citizenship Act (26/1970) and the Bantu Affairs Administration Act (45/1971) (Lee in Lee *et al.*, 2003:9; Mbongwa *et al.* in Van Zyl *et al.*, 1996: 52; Worden, 2007:121).

While the concept *ethnic* or *ethnicity* as mentioned in relation to the homelands policy is a phenomenon that suffers from a lack of conceptual clarity (Szeftel, 1994:188), Maré (in Szeftel, 1994:189) is of the view that this concept represents a historical process of 'social identity formation' whereby:

- culturally-specific practices and a unique set of symbols and beliefs are invoked and given social and political relevance so that people might come to believe that they belong to a specific group;
- there was existence of a belief in the common origin, which serves to legitimate the existence of a particular group to which people can identify; and
- people ultimately developed a sense of belonging to a particular group, of which members were socialised into believing that it had unique and distinct features when compared with other groups.

The homeland policy in South Africa was not so much an exercise by African people claiming or asserting ethnic identity as Maré (in Szeftel, 1994:189) has described it above, but a process whereby those who were in power (the NP government) politicised ethnicity by naming, categorising and confining those who were powerless (Seidman, 1999:425; Szeftel, 1994:191) in order to sustain domination (Bekker in Szeftel, 1994:191) and legitimate 'separate development' (Seidman, 1999:425). The implementation of the separate development policy had the following consequences:

- promoted the creation of separate areas for each ethnic group called homelands (Seidman, 1999: 422; Lee in Lee *et al.*, 2003: 9; Mbongwa *et al.* in Van Zyl *et al.*, 1996: 52-53) and the total area of land under homelands was consolidated by the Tomlinson Commission to a total of 17 million hectares, and this was inclusive of:
  - o land as scheduled in the Natives Land Act (27/1913);
  - o land added in the Natives Trust and Land Act (18/1936);
  - o additional land acquired by the Natives Trust as well as land owned by African people prior to 1936; and
  - o what were considered then as 'black spots', i.e. isolated small pieces of land interspersed among 'white areas' and located outside areas occupied by black people (Mbongwa *et al*. in Van Zyl *et al.*, 1996:37);
- prescribed how these areas were to be administered (Lee in Lee *et al.*, 2003:9; Mbongwa *et al.* in Van Zyl *et al.*, 1996:52-53; Seidman, 1999:422);

- disenfranchised African people by forcing them to become citizens of these homelands (Lee in Lee *et al.*, 2003:9; Mbongwa *et al.* in Van Zyl *et al.*, 1996:52-53; Seidman, 1999:422);

- introduced extreme measures of forced removals (Lee in Lee *et al.*, 2003:9; Mbongwa *et al.* in Van Zyl *et al.*, 1996:52-53; Seidman, 1999:422), which also involved the removal of a sizeable number of African farmer tenants, freeholders, and squatters from what were considered 'white' rural areas into the homelands (Worden, 2007:123); and

- gave homeland (alternatively called Bantustan) administrators considerable wealth (Worden, 2007:125) and "power of patronage, policing and control over the African populations delivered into their jurisdiction" (Szeftel, 1994:192), as well as land allocation, which gave these administrators power to exploit African people given the limited land and other resources which homeland people had to compete for (Szeftel, 1994:192), a fact confirmed in the report of the Beaumont Commission as explained above.

According to the White Paper on Land Reform, 1991 (4), 10 422 437.0000 hectares of land was made available in terms of the Natives Land Act (27/1913), for the exclusive tenure, use, occupation and ownership by African people, while the Natives Trust and Land Act (18/1936) made available additional land of 7 186 178.0000 hectares between 1936 and March 1990. The homeland administrators and the co-opted chiefs who agreed to be willing participants in the implementation of the separate development policy (Van Kessel and Oomen, 1997:563; Worden, 2007:121) were generally perceived as collaborators or even agents of the state (perceived as the principal as in principal-agent theory), thus they were despised, and had little legitimacy (Szeftel, 1994:193). The separate development policy was, however, vigorously opposed by the African National Congress (ANC) and the South African Communist Party (SACP) (Welsh, 1998:451; Worden, 2007:110-111).

2.3 The Land Policy of the new democratic South Africa

The land policy of the new democratic South Africa will be discussed in much greater detail in Chapter 5. However, it should be noted briefly that this policy is a product of a negotiated settlement between the NP government, civil society and the liberation movements. The interim Constitution of the Republic of South Africa, 1993, contains the fundamental principles emanating from this negotiated settlement. The Constitution also provides the foundation for all laws and policies in the new democratic South Africa, with effect from April 1994. Specific sections in the Constitution, 1993, (later repealed and replaced by the Constitution, 1996) dealing with land reform are the following:

1. Section 8 (3-b) provides for people who were previously dispossessed of rights in land before the commencement of the Constitution, to claim back restitution of such rights, subject to and in accordance with provisions of sections 121, 122 and 123 of the Constitution (200/1993).
2. Section 121 commits the Government to develop legislation which will give effect to procedures for the administration of restitution of rights in land.
3. Section 122 gives effect to the establishment of a commission on restitution of land rights.
4. Section 123 provides guidelines for the courts in dealing with claims for restitution of land rights lodged with them.
5. Section 28 (1) provides guarantees to acquire and hold rights in property.
6. Section 28 (3) makes provision for expropriation, subject to certain conditions being met, such as the payment of an agreed compensation.

The main features of the negotiated land redistribution policy are:
- the constitutional protection of property rights, which in respect of the agriculture sector relates to protection of rights to land ownership;
- the market-driven principle of willing-seller, willing-buyer; and
- the involvement of the state in facilitating transactions between willing-buyers (i.e. Black people who were previously discriminated from owning or leasing agricultural land as a resource from which their livelihood was derived) and willing-sellers (i.e. White commercial farmers who were assisted by previous Governments to own agricultural land).

The ANC, which won majority rule in partnership with the Congress of South African Trade Unions (COSATU) and the SACP in the first democratic elections of 1994, was given a mandate by South Africans to redress the injustices of the past in respect of land ownership. The post-1994 Government managed to develop a land policy for South Africa, which is embedded in three programmes, namely:

- land restitution;
- land redistribution; and
- tenure reform.

Though the Government was aware of and has indeed incorporated into its policy most of the expectations from those who gave it the mandate to rule the country, it:

- was hamstrung by the agreements made during the pre-1994 negotiation period, such as protection to property rights; and
- had to tread carefully in the light of high expectations of the new Government on the issue of respect for human rights.

Radical measures could not be introduced into the land policy to swiftly reverse or correct past injustices against Black people.

2.4 CONCLUSION

The dispossession of Black people of their right to own and productively utilise agricultural land in whatever form, was a process driven by the state. It was therefore fitting that these injustices had to be corrected through a politically driven process.

Though the land redistribution policy in South Africa is market driven, it has been structured in such a way making the state the main player in the policy implementation process. The extent to which the Government has been successful in implementing the Land Redistribution for Agricultural Development programme will be investigated in this research, in particular the impact of governance and leadership.

The following chapter will briefly explore literature on Public Administration, which has relevance to the statement of the problem and research question. It is through research that the vast body of knowledge around Public Administration has been generated. The

research will be grounded on Public Administration theory, which theory has also informed the research structure in terms of the research problem as well as research questions. Public Administration theory will also be crucial in terms of explaining the findings emanating from this study.

CHAPTER 3

PUBLIC ADMINISTRATION: CLARIFICATION FOR RESEARCH

3.1 INTRODUCTION

The previous chapter dealt with the history pertaining to the problem of land ownership by Black people in South Africa. The purpose of this chapter is to describe broadly the state of affairs of the discipline of Public Administration in terms of agreements and contradictions pertaining to its locus and focus. The discussion will then be narrowed to the specific topic of public policy administration. The discussion of Public Administration theory will also bear relevance to what is the core focus of this research undertaking, namely the administration of the LRAD programme.

The discussion of Public Administration theories cannot be undertaken and concluded without first considering the historical events concerning administrative theory development in general. In this manner, one can trace the following:

- the need to develop these theories in the first place, and who were the main players in the development of these theories;
- the approaches, assumptions and contributions made by various scholars to the broad field of administration and in particular public administration;
- the commonalities and disagreements among authors; and
- any real growth (i.e. new theories completely replacing old ones) in the science.

The generic approach to Public Administration as developed by Cloete (1998:123-281) shall serve as a basis for discussion in this chapter as well as in those that will follow.

3.2 DEFINING PUBLIC ADMINISTRATION

3.2.1 Understanding the concept of *Public* in Public Administration

Understanding the concept of *public* requires conceptual clarity between what is considered the public domain as opposed to the private domain. Parsons (2003:3) suggests that the existence of public policy presupposes that there is a domain of life

which is not driven by private or purely individual interests, but held in common. Weiner and Vining (2005:72), use the economic principle of market failure to allocate certain goods efficiently, to draw the distinction between public as opposed to private or collective goods. Weiner and Vining (2005:72) suggests that private goods have got two primary characteristics which define them, namely:

- rivalrous consumption, and
- excludable ownership.

Rivalrous consumption implies that what is consumed by one cannot be consumed by another (Weiner & Vining, 2005:72-73). Perfectly private goods such as clothes are characterized by complete rivalry, in a sense that the owner cannot share the use of such goods at the same time with other people. *Excludable ownership* means that one has complete control over the use of a good (Casella & Frey, 1992:642; Weiner & Vining, 2005:72). In democratic societies, the exclusion of others from the consumption of rivalrous goods is achieved by the granting of property rights to owners, which imposes a duty on non-owners to accept the ownership vested in the owner and comply (Weiner & Vining, 2005:73). In the context of land ownership and redistribution, the Constitution of the Republic of South Africa, 1996, offers guarantees in terms of respect for property rights, thus assigning private white-owned agricultural land targeted by the LRAD programme the qualities of being rivalrous and excludable in nature. The introduction of the principle of willing-seller, willing-buyer in the LRAD programme was probably applying itself to this reality.

Samuelson (in Parsons, 2003:10) argues that public goods are indivisible, non-excludable and are paid for by taxes and borrowing. *Price* in the context of public goods and services is a representation of the values and priorities of the legislature given the limited resources, and not value as in the market or private sector context. The government of the Republic of South Africa has, since 1994, adopted a developmental approach whereby the money of taxpayers' is used to stimulate and facilitate development transactions which were meant to be developed through the private sector. One such intervention has been in land redistribution. The state provided grant funding for the acquisition of land, and this land is divisible, rivalrous and excludable in nature, thus challenging the argument presented above by Samuelson (in Parsons, 2003:10). The amount of money and other resources allocated to the LRAD programme does not

so much represent the maximum that the Government would like to achieve through the LRAD programme within a given time frame, but rather the priorities of the Government given the limited financial resources available to satisfy society's diverse needs.

Buchanan (in Parsons, 2003:10-11) challenges the neat distinction provided by Samuelson above by suggesting that some public goods could have excludable characteristics. Weiner and Vining (2005:72) support the contestation by Buchanan (in Parsons, 2003:10-11) that public goods are in varying degrees non-rivalrous in consumption, non-excludable in use, or both. A good is non-rivalrous in consumption when more than one person can enjoy the benefits of consumption from a given level of supply at the same time (Weiner & Vining, 2005:72). An example given by Weiner & Vining (2005:72) is that of national defence, which can be enjoyed by all people at the same time without limiting the benefits enjoyed by others.

Goods are non-excludable "…if it is impractical for one person to maintain exclusive control over its use" (Weiner & Vining, 2005:72). An example is the fish resource found in the sea, which roam around and as such cannot be partitioned off to one area for the exclusive use by one individual (Weiner & Vining, 2005:72). Another example is that of water from a river, which cannot be partitioned off for the exclusive use by an individual. However, the use of such goods can also be regulated through the granting of specific rights to individuals or groups, which brings into the picture a third characteristic associated with demand for public goods, namely congestion. *Congestion* occurs when the excessive demand for and use of particular goods result in social costs to the individual. Non-rivalrous goods that can be consumed at the same time can experience a phenomenon of congestion, as such necessitating the introduction of mechanisms to regulate consumption. The introduction of the LRAD and other land reform programmes resulted in an increase in land prices, which in itself is a social cost to the intended beneficiaries of these programmes. The Government has options, but has not introduced any other regulatory mechanism than property evaluations to deal with this phenomenon.

The economic definition above does not adequately address the distinction between private and public. The traditional understanding by Public Administration scholars on the *public* in public administration has been in institutional terms (Henry, 2004:43). This

takes the view that the locus of public administration should be on tax supported or government agencies (Henry, 2004:43). Government agencies are service oriented and may pursue single or multiple objectives (Fesler, 1980:9-10). However, privatisation resulted in excluding a government's ability to utilise private entities and this form of delivering services creates difficulties (Henry, 2004:43).

An alternative to the institutional approach described above is the normative definition (Henry, 2004:44). According to Parsons (2003:3), "…the public comprises that dimension of human activity which is regarded as requiring governmental or social regulation or intervention, or at least common action". The normative definition has ethical undertones in that it concerns itself with aspects and dynamics which affect the public interest. Public service norms such as impartiality, equality, openness and representativeness became associated with the provision of public goods (Haque & Lewis in Haque, 2000:601). The normative definition serves to:

- broaden the scope of public administration beyond traditional government institutions;
- create problems in terms of conceptual understanding of public interest (Henry, 2004:44); and
- create contradictions between private and public interest, especially where government has extended its reach into private entities.

The LRAD programme was introduced as a matter of public interest to redress past historical injustices and to build a new society in which all have equitable access to agricultural land as a means of production. The administration of this programme extends the state's responsibilities beyond conventional government institutions and into transactions which are normally facilitated by market forces of demand and supply.

The third definition takes an organisational dimension that views public organisations as more open to scrutiny, accessible and being impacted more by the task environment than do private organisations (Fesler, 1980:11-12; Henry, 2004:44). In democratic societies, the activities of public service organisations are more open to scrutiny by the elected representatives, who exercise the oversight function on behalf of citizens. The fact that public organisations act in the public interest makes them subject to forces that limit their possible economically influenced performance. These limitations are

manifested in the extent to which the activities of public officials are circumscribed by law (Pfiffner & Presthus, 1967:6).

The above discussion serves to clarify the environment within which public institutions operate and also clarifies the differences between public administration and private sector management (Henry, 2004:45). The organisational dimension also impacts on the administration of the LRAD programme which, due to the sensitive nature of land redistribution, the programme is subjected to more scrutiny by those with diverse, but vested interests. The LRAD programme is also impacted by the co-operative governance regime and the new rights-based set of values, which came into being in 1994 and affect the administration of all government programmes.

3.2.2 Defining *administration* in Public Administration

A number of definitions have been provided by various scholars in an attempt to define the concept of *administration*. Coetzee (1988:4-5) and Botes *et al*. (1992:294-302) provide the following classification of definitions of the concept *administration*:

3.2.2.1 The comprehensive approach

Exponents of the comprehensive approach view *administration* as all organised activities undertaken in an institution aimed at achieving an objective (Botes *et al*., 1992:295). No distinction is drawn between clerical, professional and technical duties (Botes *et al*., 1992:295). It is also the view of Simon, Thompson and Smithburg (1991:4) that *administration* is "the activities of groups co-operating to accomplish common goals".

Simon *et al*. (1991:4) highlight the contradiction that could emanate if co-operation is measured only in terms of the results, not the methods used. The word *co-operate* implies a sense of willingness among two or more people to work together, and does not take into account the use of authority in formal organisations to get the intended results (Waldo in Rosenbloom, Goldman & Ingraham, 1994:7).

3.2.2.2 The limited or functional approach

The *limited approach to administration* refers to the routine administrative activities assumed to be commonly carried out in both public and private institutions, and which are sometimes referred to as clerical work (Coetzee, 1988:5-6). These clerical functions are essential in terms of assisting the 'professionals' and 'specialists' in the implementation of government programmes, and are considered the domain of white-collar workers (Botes *et al.*, 1992:296).

3.2.2.3 The public management approach

Those who advocate for the public management approach embrace the basic principles of Public Administration, but argue that large government institutions function like businesses and should be managed as such (Botes *et al.*, 1992:297). This argument has much resonance with the propositions of the New Public Management approach, which will be discussed in detail under the sub-heading of organising.

3.2.2.4 The generic approach

The generic view considers *administration* as the functions that are common among the actions undertaken by a group of organisations within a particular institutional environment (e.g. government institutions) with the purpose of accomplishing the goals and objectives of public policies (Botes *et al.*, 1992:298). According to Thornhill (2005:180), the generic and integrated functions (classified into conceptual and managerial) performed by all public service organisations could be divided as follows:

- systems and processes for policy-making;
- development of organisational structures;
- development of systems for appointment and utilisation of human resources;
- development of systems for the acquisition and utilisation of financial resources;
- development of efficient and effective work methods and procedures; and
- development of systems for the maintenance of effective control and accountability.

The generic approach as advocated by Cloete (1995:57-219) is adopted in this study. Since the case study research method is used in this study, it is important to provide a comprehensive analysis of all factors impacting on the effective administration of the LRAD programme. Having defined the different approaches to administration, the next section will provide some understanding of what effective administration is within the context of public institutions.

3.3 EFFECTIVE ADMINISTRATION OF PUBLIC INSTITUTIONS

The adjective *effective* is defined in The World Book Dictionary (1993) as 'able to cause something' and 'able to cause some desired result'. In both definitions, the cause and effect relationship is implied between the end result and the cause of the of the end result. In organisation theory, there is no universal agreement to the meaning of the adverb *effectiveness* as well as the categories used to describe it (Rainey & Steinbauer, 1999:9). This is epitomised by the prevalence of models used for conceptualising organisational effectiveness (Daft & Rainey in Rainey & Steinbauer, 1999:13) such as:

- goal models, which perceive effectiveness in terms of achievement of organisational goals;
- internal process models, which perceive effectiveness in terms of the extent to which internal procedures and processes support the achievement of organisational goals;
- participant satisfaction models, which perceive effectiveness in terms of the extent to which the needs of participants were satisfied;
- resource dependence models, which perceive effectiveness in terms of the extent to which the organisation was to reduce its vulnerability by securing critical resources needed for achievement of organisational goals; and
- stakeholder models, which perceive effectiveness in terms of the extent to which competing expectations of stakeholders were managed and satisfied.

Cameron and Whetten (1981:526) argue that the categories of effectiveness mentioned above are constructs operationalised by researchers and as such do not take into account the definitions of respondents as informed by their experiences and perceptions of reality. Cameron and Whetten (1981:526), however, admit that as much as general conclusions can be made about organisational effectiveness, the concept can mean

different things to different people at different times during the life cycle of an organisation. An example is an assessment of effectiveness in terms of goal attainment. The assessment of a goal, which has a hierarchical, geographic and time dimension, can be affected by the understanding of reality that respondents have in terms of these dimensions (Botes *et al.*, 1992:305).

The other factors influencing perceptions of organisational effectiveness are the extent to which certain issues have been given much prominence within an organisation and about which the respondents have the most information (Taylor & Fiscke in Cameron & Whetten, 1981:526), as well as the position of respondents in the organisational hierarchy (Goodman & Pennings, Van de Ven & Ferry in Cameron & Whetten, 1981:526). However, while acknowledging the difficulties in reconciling the above-mentioned concerns, Rainey and Steinbauer (1999:13) define *effectiveness* as "…when the agency performs well in discharging its administrative and operational functions pursuant to the mission". According to Rainey & Steinbauer (1999:13), the definition explicitly and implicitly deals with the following facets of effectiveness, namely:

- whether the organisation does well what it is supposed to do;
- whether employees perform their duties well;
- whether the actions and procedures of the organisation support the attainment of the organisational mission; and
- whether the organisation achieves its mission.

Hanekom (in Hanekom & Thornhill, 1995:20) is of the opinion that the study of public administration should focus on:

- the purpose of public institutions;
- the administrative means for achieving the purpose; and
- the role-defined power of bureaucrats in achieving positive results as envisaged by government.

Based on the suggestion by Hanekom (in Hanekom & Thornhill, 1995:20), studies on the effective administration of government policies and programmes should focus on:

- the achievement of purpose (i.e. the desired end result to be achieved by an individual organisation, or two or more organisations acting together);
- the actions and procedures undertaken to achieve particular ends (i.e. public service organisations viewed as a cluster of systems within systems arranged in a hierarchical manner, where administrative means are designed to enable the achievement of the desired end result by serving as inputs to other units within and without the organisation, vertically and horizontally); and
- the role of public officials in achieving the desired goals and objectives (i.e. public officials perceived as capable of determining and articulating the desired end result, articulating the predetermined desired end result, putting in place administrative means for achieving the end result, managing competing stakeholder interests and expectations, securing, transforming and energising resources to achieve the desired end result).

3.4 THE STUDY OF PUBLIC ADMINISTRATION

The practice of public administration as a critical instrument in the running of ancient empires, monarchies, democracies and dictatorships has been well documented by early philosophers such as Socrates, Plato, Aristotle, Cicero and Polybius (Coetzee, 1988,32; Thornhill, 2006:794). These philosophers, did however, not indicate the need to develop the subject as an academic discipline (Coetzee, 1988:33).

3.4.1 Cameralism

Cameralism is cited as "the first real training scheme" for officials in the service of a sovereign state (Coetzee, 1988:33). The scheme was in operation in Prussia, where professorships were awarded as early as 1729 by Friederick Wilhelm I (Coetzee, 1988:33; Thornhill, 2006:794). According to Coetzee, Cameralism was later changed to *Verwaltungslehre*, which emphasised law formalism or a legalistic approach, and was confined mainly to Germany.

A number of French scholars, namely Jean-Charles Bodin, *Principles d'adminstration publique* (1808); M. Vivien, *Etudes administratives* (1845); and L. Aucoc, *Conférences sur l'administration*; made contributions to the development of the subject through their writings about Public Administration as a separate subject (Coetzee, 1988:33). France played a leading role in Europe during this time in terms of development of the theory and practice of public administration, albeit from a legalistic approach (Coetzee, 1988:33). The legalistic approach is consistent with the views of scholars during the era of orthodoxy as well as Max Weber's bureaucratic model, which all aimed at limiting or eliminating the discretionary powers of officials during policy administration.

3.4.2. The foundation

The beginning of the conscientious study of Public Administration is credited to Woodrow Wilson (Henry, 2004:29; Shafritz & Hyde, 1992:1). In Wilson's (1941:486) own admission as well as recognising the important role played by the Cameralists, he notes that the science of administration has its origins in Europe, in countries with a different political and cultural background from that of America.

3.4.3 Public Administration definitions

Botes and Roux (in Botes *et al.*, 1996:257) note that the subject of Public Administration can denote both the science aspect of it (with capital letters) as well as an art (with lower-case letters) to denote the field of operation for practitioners, which in itself is the primary study focus area for Public Administration scholars. Public Administration is thus concerned with scholarly research about implementation of government policy by practitioners, alternatively known as public officials (Botes & Roux in Botes *et al.*, 1996:257). Though there is no confusion as to the locus of public administration, Thornhill (2006:804) argues for a reconsideration of the domain of public administration and by extension the study of Public Administration. The concept of *governance* though not universally defined, introduces a new approach whereby state institutions co-operate with one another as well as with the private sector and non-government organisations to provide services to the public (Thornhill, 2006:804). This new approach necessitates a consideration of phenomena derived from the private sector in the study of Public Administration and management (Thornhill, 2006:804).

Any attempt at discussing Public Administration as an academic discipline should begin by first defining the parameters and boundaries of the subject, which delimits and differentiates it from other scientific and humanistic disciplines (Stillman, 1984:1). The foregoing implicitly states that the boundaries of the discipline can be delineated. In his introductory statement, Wilson (1941:481) says that a practical science such as *administration* cannot be studied unless "there is a need to know it". By the "need to know it", Wilson (1941:481) refers to the need to define its boundaries, which will differentiate it from other disciplines.

A number of definitions have been provided by different scholars, none of which adequately captures the essence of the area or subject matter of Public Administration (Stillman, 1984:1). The following are some of the definitions cited by Stillman (1984:2-3):

Williams (in Stillman, 1984:2-3) defines Public administration as all about the management of scarce resources to accommodate the goals of public policy. Gortner (in Stillman, 1984:2-3) considers Public administration a phenomenon that involves "coordination of all organized activity having as its purpose the implementation of public policy". The co-ordination function as described above is what brings about a similarity between public and private institutions, since both require co-ordination of effort in order to achieve organisational objectives (Cloete, 1994:61). White (in Shafritz & Hyde, 1992: 58) defines Public Administration as "the management of men and materials in the accomplishment of the purposes of the state".

The main emphasis of these definitions is on the management of resources to accomplish predetermined policy objectives. Administration and management are "…the enabling functions required to give effect to political decisions/policies" (Thornhill, 2005:180). The new Government of the Republic of South Africa prescribes in the Public Finance Management Act (1/1999) that public service managers should, in implementing government policies and programmes, do so effectively and with efficiency. These definitions also affirm the politics and administration dichotomy by confining the role of practitioners of public administration to merely implementing decisions made by policy and lawmakers.

According to Nigro and Nigro (in Stillman, 1984:2-3), Public Administration:

- "…is a cooperative group effort in a public setting";
- "…is a phenomenon that covers all three branches-executive, legislative, and judicial-and their inter-relationships";
- "…has an important role in the formulation of public policy, and is thus part of the political process";
- "…is different in significant ways from private administration"; and
- "…is closely associated with numerous private groups and individuals in providing services to the community".

Public Administration may also be defined as "…all processes, organizations, and individuals (the latter acting in official positions and roles) associated with carrying out laws and other rules adopted or issued by legislatures, executives and courts" (Gordon in Stillman, 1984:2-3). Gordon further explains that this definition should be understood "…to include considerable administrative involvement in formulation as well as implementation of legislative and administrative orders…". Wilson (1941:496) defines Public Administration as "detailed and systematic execution of public law". According to White (1955:1) "public administration consists of all those operations having for their purpose the fulfilment or enforcement of public policy". Starling (in Stillman, 1984:2-3) defines public administration as a "phenomenon that concerns the accomplishing side of government, that comprises all those activities involved in carrying out the policies of elected officials and some activities associated with the development of those policies and that comes after the last campaign promise and election-night cheer".

The above definitions locate Public Administration within the political school of thought, emphasises the policy formulation role of public officials, and also bring into focus the managerial functions of ensuring co-operative group effort. The definitions also resonate with the comprehensive and generic views of what administration entails.

Stillman (1984: 1) attributes the problem of a lack of a universal definition which adequately captures the core of the subject to the rapid growth in the twentieth century of public administration, which became all-encompassing in terms of the role expectations of public administrators. The role expectations of public administrators

were mainly defined by the norms, values and expectations of a particular society, hence the definitions tend to be more descriptive than normative in nature.

The other problem attributed to a lack of a universal definition is the extent to which definitions have borrowed from other disciplines to undertake research on the practice of public administration. Fry (1989:13) maintains that Public Administration has borrowed much of its body of knowledge from other disciplines such as economics, business administration, sociology, psychology and political science and "draws what cohesiveness it possesses more from its object of analysis than its intellectual parentage". He argues that the field of Public Administration has tended to grow more in a cumulative manner, rather than by substituting new ideas for old ones. O'Toole, Skowronek and Lustig (in White & Adams, 1994:29) maintain that the major trajectory in the development of the knowledge and theory in Public Administration was during the period 1877 to 1920 (the progressive era). These authors do not however maintain that nothing was done in subsequent years, and as Fry (1989:13) states, growth was cumulative rather than substitutive and reference was always made to theories developed during that period. What Fry seems to be decrying is:

- a lack of originality in the development of theories in the public service;
- a dearth of new theories to displace the existing and old ones; and
- the discipline taking more of the descriptive nature of the object of analysis, namely the practice of public administration.

Parker (in Stillman, 1984:3) takes a radical and positivist view that "no science or art can be identified by the title public administration, least of all any skill or coherent intellectual discipline". Parker (in Stillman, 1984:3) states that "it does not, in itself, offer any promising opportunity to widen or make more precise any single aspect of scientific knowledge". The views of these authors were informed by their positivist stance and understanding of what a scientific discipline is or should be.

A different view from that of Fry (1989:13), is presented by Mosher (in Stillman, 1984:3), namely that the elusiveness of the core of Public Administration gives the subject its strength since scholars will have to borrow from the concepts and theories of other disciplines to solve practical problems facing society. The view by Mosher (in Stillman, 1984:3) agrees with the views on the subjective and qualitative approach.

3.4.4 Public Administration and its locus within the political school of thought

The political school of thought emerged as the centre which was unifying a number of schools of thought which have emerged from the past eras (McCurdy, 1986:54). It served as a means of filtering out ideas borrowed from different disciplines (McCurdy, 1986:54). In terms of this school of thought, the locus of public administration is on the activities of government institutions, hence the conclusion that administration is concerned with the executive and operative aspect of government activities, and is the most visible (Wilson, 1941:482), and that administration is part and parcel of every activity of government (Gaus in Lynn, 2001: 153). This opinion on the locus of public administration is supported by White (1955:1), however White (1955:1) assumes that the problems as well as the administrative processes that public administration have to be concerned with, are the same, irrespective of the sphere of government.

The political school of thought provided incentives for the strengthening of relationships with political science (Hanekom in Hanekom & Thornhill, 1983:46), in terms of locus and focus, but also in terms of methods used to study social phenomena. For example, Public Administrationists who embraced the case study method, identified with an intellectual approach that is empirical, behavioural and interpretive in nature, and draws from the administrative experience of the practitioners, something that was not well accepted by those who have been reared in the field of political science (Henry, 2004:37). The disciples of the political school of thought view public administration as an extension of the process of governing (Mc Curdy, 1986:31), which Mc Curdy (1986:31) defines as "the act of exercising the authority of the state on behalf of persons within the political community".

Cloete's (1994:58-59) generic framework puts the locus of public administration within politics, as it clearly demonstrates the interface between politics and administration. However, the politics and administration dichotomy advocated by exponents of traditional public administration during the foundation years, was debunked, as public servants are viewed as having a will of their own, taking an active part in policy making and should be granted administrative discretion to implement policies in the best interest of the public (Gaus in Lynn, 2001:150; Key in Lynn, 2001:151).

Cloete (1994:64-86) identifies guidelines (tenets) which must be observed by political office-bearers and public officials operating within a democratic state, namely:

- political supremacy;
- public accountability;
- tenets of democracy;
- guidelines emanating from community values; and
- prescribed guidelines.

Only the guideline pertaining to political supremacy will be discussed. According to Cloete (1994:64-69), the legislature has political authority over the sphere of work of political office-bearers as well as public officials in terms of:

- establishment of executive or government institutions;
- determination of functional activities to be performed by government institutions;
- development of guidelines for appointment, remuneration, promotion, development and dismissal of political office-bearers and public officials;
- development of work procedures in respect of programmed decisions or decisions that pertain to work of a highly regulatory nature;
- collection of state revenue and equitable distribution thereof; and
- control measures required for political office-bearers and public officials to account to the legislature.

Cloete (1994:64-69) confirms that in spite of the involvement of public officials in policy development, the legislature has the supreme authority in terms of articulating the needs and demands of citizens, legislating and providing policy direction for government, as well as providing oversight over the activities of government. The next section discusses the administrative functions performed by government institutions over which the legislature has legislative authority.

3.5 PUBLIC POLICY

Policy is defined as "a desired course of action and interaction which is to serve as a guideline in the allocation of resources necessary to realise societal goals and objectives, decided upon by the legislator and made known either in writing or verbally"(Hanekom in Hanekom & Thornhill, 1995:54). The above definition specifies the following:

- a course of action selected among many possible alternatives has to be chosen to guide decision-making, which involves establishing policy guidelines in terms of how the process of formulating policies within an organisation shall be conducted as well as action to be followed to achieve the identified goals (a constitution is a useful document for this purpose in the public sector since it is the supreme policy which gives effect to and integrates all other policies);

- the emphasis on a desired course of action means that there is, or should be, criteria in place (e.g. legislation) to guide in the choice of the desired course of action from other potential courses of action that are not desired by decision-makers;

- a desired course of action is thus a means to realise the end, which are the broader societal goals and objectives;

- that the goals and objectives of society have already been clarified and that a public policy is concerned with the identification of the means to realise them;

- that a policy should prescribe who the important role players are that are necessary for putting into effect the desired course of action and how they should interact with one another, which implies that organisations responsible for execution of a policy would have to be identified or created, institutional arrangements in terms of rules of engagement, norms and standards to be adhered to and procedures for implementation would have to be prescribed as well;

- that for the desired course of action to be implemented, resources should be allocated by the legislature responsible for deciding on the desired course of action to support the implementation of a policy; and

- that a public policy should be made public to ensure that members of the public who are affected by the policy, either positively or negatively, become aware of the effects of the policy and respond appropriately.

Dye (2002:1) defines *public policy* as "anything a government chooses to do or not to do". The criticism levelled against Dye's definition is that it is too general and simplistic in that it fails to separate the substantive and significant issues that government decides to do or not to do from the trivial activities that public officials are engaged in including decisions that they make in the normal course of their work (Howlett & Ramesh, 2003:5). However, Lipsky's views (in Hupe & Hill, 2007:280) support the above view by Dye (not in the limited sense of the mundane administrative tasks as performed by clerks) to say that rather than formal laws and policy statutes it is "…the decisions of street-level bureaucrats, the routines they establish, and the devices they invent to cope with uncertainties and work pressures (that) effectively *become* the public policies they carry out". According to Lipsky (in Hupe & Hill, 2007:280), public policy should not only be understood in terms of the formal laws and statutes, but as policy which is formed as it is implemented by public officials. Lipsky's view (in Hupe & Hill, 2007:280) is consistent with the integrated approach to policy implementation.

Dye (2002:1) is of the view that public policy involves decisions taken only by government; therefore it excludes decisions taken by business, private and civic organisations (Howlett & Ramesh, 2003:5). Business, private and civic organisations can and do make decisions that influence the policy agenda in terms of the gravity of a particular societal problem as well as possible measures available to solve the problem, but their decisions do not constitute public policy and can thus only serve to influence public policy (Howlett & Ramesh, 2003:5).

The second aspect of Dye's definition (2002:1) pertains to a choice that government can and has to make, which according to Howlett & Ramesh (2003:5), is to do something or to do nothing about a dysfunctional situation. The aspect of the definition which involves decisions about taking no action also constitutes a deliberate and conscious choice by government when faced by other alternatives, which involve taking a positive action, and constitutes public policy. An example is where government decides not to increase taxes or declines to approve additional funds for an organ of state (Howlett & Ramesh 2003:5).

Jenkin (in Howlett & Ramesh, 2003:6) defines *public policy* as "a set of interrelated decisions taken by a political actor or group of actors concerning the selection of goals and the means of achieving them within a specified situation where those decisions

should, in principle, be within the power of those actors to achieve". The definition by Jenkin presents public policy-making as a process which involves a number of decisions, consisting of the selection of a goal or goals to be pursued, the choice of a course of action or actions to be followed in achieving the goal and the allocation of resources necessary for effective implementation of the desired course of action (Howlett & Ramesh, 2003:6). Public policy-making is seen as a forward-looking process, which involves conceptualisation of the future idealised state of being of society, which can be seen as different from the current state of affairs or similar.

The definition by Jenkin (in Howlett & Ramesh, 2003:6) indicates that such decisions are made by political actors as individuals or as a collective. Not only does public policy entail a single decision but a series of interrelated decisions, involving political executives and administrative executives. At the operational level, decisions made by the administrative executives can be about the functional activities of a department, or about support activities to line function staff (Howlett, *et al*. 2003:6). What is important is that such a series of coherent decisions should lead to successful administration of the desired course of action.

Jenkin (in Howlett & Ramesh, 2003:6) highlights the fact that public policies are taken with due cognisance of the context within which such decisions have to be implemented. The contextual issues could involve external factors such as restrictions and obligations imposed by international treaties and conventions, as well as the influence exerted by powerful multilateral organisations such as the IMF and the World Bank in domestic policy formulation (Howlett & Ramesh, 2003:6). Internal factors that can impose limitations could be the autonomy with which central government has to determine policy, as against the influence that business, private and civic organisations have and can exert on government in domestic policy formulation. Other factors relate to the capacity of the state, which is affected by factors such as the extent of coherence among spheres of government and organs of state, as well availability of technical expertise, financial resources, physical and information technology resources (Howlett & Ramesh, 2003:6).

Anderson (in Howlett & Ramesh, 2003:7) defines *policy* as "a purposive course of action followed by an actor or a set of actors in dealing with a problem or matter of concern".

The above definition shares similarities with Jenkin's definition with regard to the goal oriented nature of a policy as well as the involvement of multiple actors. However, it brings in the problem-solving dimension (Howlett & Ramesh, 2003:7). The notion of the existence of a problem as perceived or real implies that there is a gap between the current state of affairs and the idealised state of being of society. Since a policy is a socio-political construct designed "…as much through techniques and methods as through aims or content" (Lascoumes & Le Gales, 2007:4) in order to deal with societal problems, those entrusted with formulating policies must be guided by particular criteria in terms of first identifying and prioritising the problems, as well as developing appropriate measures for dealing with the prioritised problems.

3.5.1 Policy analysis and formulation

Policy analysis as a scientific study area became firmly established and fully fledged within the social sciences after the Second World War (Roux, 2002:426). *Policy analysis* is defined as "…an attempt to measure the cost and benefits of policy alternatives and to evaluate the efficacy of existing policies" (Goldwin in Hanekom, 1992:65). Hanekom (in Roux, 2002:427) defines policy analysis as "an attempt to measure the costs and benefits of various policy alternatives or to evaluate the efficacy of existing policies; in other words, to produce and transform information relevant to particular policies into a form that could be used to resolve problems pertaining to those policies". The above definitions assume a rational approach to policy analysis, an aspect which has been criticised for giving experts too much power thus leaving out the public (Walters, Aydelotte & Miller, 2000:350). Another criticism of the rational approach is that costs and benefits of policy alternatives may not be determined with scientific exactness, a situation described by Simon (in Parsons, 2003:278) as 'bounded rationality'. However, frameworks are used in policy analysis to try and better understand phenomena, by simplifying and ordering the complexity of factors and social processes that affect problems (Parsons, 2003:57). Dunn (in Roux, 2002:427) defines *policy analysis* as "an applied social science discipline, which uses multiple methods of inquiry and argument to produce and transform policy relevant information that may be utilized in political settings to resolve policy problems".

Analysis of public policy is, according to Dye (in Roux, 2002:427), an exercise undertaken to achieve the following objectives:

- scientific objectives: science expands the knowledge horizon of society by making known the cause and effect of particular policies, as well as the linkages between the policy and its environment;

- professional objectives: scientific knowledge puts public administrators in a better position to advice their political masters on better policy choices and the implications thereof; and

- political objectives: scientific knowledge gives the political executive comfort in knowing that it is pursuing meaningful policy interventions that will enable it to reach the policy goals.

The scientific study of policy analysis like any other study area has to follow a structured way of making an inquiry into policy problems. The following section gives insight into some of the questions that can be considered to structure the process of policy analysis. Leroy and Nelissen (in Runhaar, Dieperink & Driesen, 2006:37) draw the following distinction between the five themes guiding the formulation of research questions during policy analysis:

- *Policy content* theme requires of the researcher to have a good understanding of the environment which affects the functioning of the policy and informs its content (Brynard, 2007: 361) and specific questions to consider, according to Runhaar *et al*. (2006:37), could be:
    o what are the policy objectives (e.g. reduction of veld degradation), and what is the conceptual understanding of concepts central to the policy objective?
    o what problem definitions underlie the policy objectives, e.g. why is veld degradation a problem?
    o how valid are the assumptions of cause and effect between goals and means, e.g. how valid are the assumptions that if certain instruments/controls are put in place there will be an improvement in veld condition?

The above questions explore the rational assumptions required for the construction of the content of a policy. The assumption underlying the LRAD programme is that the problem of agricultural land deprivation for Black farmers can be adequately solved through:

- o the Government improving the capacity of Black farmers to transact for land purchase in the property market (e.g. through provision of land purchase grants and reducing transaction costs for agricultural land purchase such as property valuation and registration costs); and
- o the Government improving the capacity of Black farmers to farm the acquired farms on a sustainable basis (e.g. through the provision of post-transfer financial support as well as agricultural extension support).

- *Policy process* theme explores the process used in policy formulation, stakeholders involved in the policy process, the influence that each stakeholder has and the relationship of stakeholders to one another (Runhaar *et al.*, 2006:37). A *stakeholder* is broadly defined by Freeman and Reed (in Mitchell, Agle & Wood, 1997:856) as "an individual or group who can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives". During the policy formulation process, public officials engage with other individuals and organisations that have a stake in the policy being proposed (Sharkansky, 1975:5). The rational actor mode to policy analysis perceives policy stakeholders as rational actors who participate in the policy process or develop policies in order to maximise self-interest as epitomised by increased power and resources (Ryan, 1999:40).

- *Policy organisation* theme explores the issue of organisation for policy implementation, by considering the organisational mechanisms put in place to implement policy (Runhaar *et al.*, 2006:37). An *organisation* in this context refers to "a structured system of formal roles and functional relationships designed to carry out policies" (Pfiffner & Presthus, 1967:7). The LRAD programme has been designed to be administered through intergovernmental mechanisms.

- *Policy effects* theme explores the effects of policies, some of which can be anticipated while others cannot (Ho, 2000:1015; Sharkansky, 1975:9). According to Runhaar *et al*. (2006:37), the following questions could be asked:

- o whether the implementation of a particular policy resulted in the achievement of objectives;

- o whether any side- or unintended effects can be observed;
- o whether there is commonality or divergence among stakeholders in terms of how they evaluate the policy effects; and
- o whether standards or indicators exist in terms of what defines success or failure of the policy.

The anticipated effects of the LRAD programme are:

- to change the agricultural land ownership structure in the country;
- to change the dualistic structure of farming:
  - o from that which is characterised by White farmers who own the biggest chunk of agricultural land and farm mainly on a commercial basis, and Black farmers who own less agricultural land and farm for subsistence and semi-commercial reasons;
  - o to that where:
    - Black farmers have more access to agricultural land;
    - Black farmers can become sustainable commercial farmers; and
    - the description and categorisation of farmers would ultimately not be on racial terms.
- *Policy context* theme explores the extent to which prevailing political, economic and socio-cultural events have shaped the policy content (Runhaar *et al*., 2006: 37). From the point of view of systems thinking, policies do not only emerge through a rational and structured process, but also through the influence on the administrative units of government by the external policy environment and vice versa (Sharkansky, 1975:11-12). The LRAD programme is a product of a negotiated political settlement; as such the contents of the programme, such as its emphasis on market-driven mechanisms and protection of property rights, reflect the influence of the neo-liberal agenda and political compromises of the pre-1994 period. A detailed discussion of these agreements is provided in Chapter 5.

Policy formulation involves possible solutions to problems or needs that have been identified (Howlett & Ramesh, 2003:143). Harmon (in Denhardt and Hammond, 1992:51-52) adapts the managerial grid model of Robert Blake to demonstrate the different styles or behaviour adopted by public officials in policy formulation. The style adopted depends

on a combination of two factors, namely responsiveness and advocacy (Harmon in Denhardt & Hammond, 1992:51-52). The rational style involves a high level of responsiveness to predetermined policies from the legislature and the executive and very little advocacy in the form of policy formulation. The proactive style involves a high level of advocacy for new policies by public officials, including facilitating increased access of interest groups to the institutions of government, which enables them to maximise their influence on government policy. In the prescriptive style, public officials are perceived as technical experts who, by virtue of their expertise as well as intimate understanding of problems, must prescribe government policy. The reactivist style recognises that public officials have a role in both policy formulation and implementation and that the two stages cannot be separated, however, the extent of their involvement is defined by the contextual issues behind the policy concerned. In the survival style, public officials adopt an incremental approach, which ensures continued survival of their programmes, by limiting access of political authorities and interest groups to their institutions (Harmon in Denhardt & Hammond, 1992:51-52). Public administrators involved in LRAD programme administration are assumed to have adopted a reactivist style, which recognises:

- the role that they have played in formulating the contents of the programme;
- the role that they have played in terms of how the programme was implemented; and
- the role that they have continuously played in monitoring, evaluation and further reviews of the contents of the programme.

Solutions might be emanating from the agenda-setting stage, or they may be generated once a problem has reached the attention of government (Kingdon in Howlett & Ramesh, 2003:143). The formulation stage also involves eliminating solutions that are considered not technically capable of solving the problem, but also those that are not feasible (Majone, Huitt, Meltsner, Dror & Webber in Howlett & Ramesh, 2003:144). Public policy instruments structure public policies and represent the different dimensions through which the policy problem can be solved (Lascoumes & Le Gales, 2007:5).

According to Lascoumes and Le Gales (2007:4), it is possible to observe different levels of a policy instrument. The first level is where a *policy instrument* itself is used as a type of institution governing society, examples of which are as follows:

- *statutory or authoritative instruments*, which involve granting permission for certain activities, prohibiting certain types of behaviour or making certain types of behaviour compulsory and are associated with a legalistic type of administration;

- *incentive instruments*, which assume that individuals, groups and organisations will not be motivated to take policy-relevant action unless they are incentivised, coerced, encouraged and influenced through what they perceive to be utility-maximizing tangible pay-offs;

- *capacity instruments*, which assume that there are certain constraints such as lack of information, lack of skills, poor education and lack of resources which prevent individuals, groups and organisations from making decisions or taking action that will lead to the realisation of policy goals; and

- *symbolic instruments*, which assume that individuals, groups and organisations are more likely to take policy-relevant action if there is congruency between the policy objectives and the belief systems of those affected by the policy (Schneider & Ingram, 1990:514-520).

The LRAD programme uses capacity instruments, of which the rationale for their use is that Black farmers:

- lack the information for them to:
  - transact in the property market; and
  - take advantage of the policy offerings made available by the post-1994 Government;
- lack the financial resources to purchase agricultural land;
- lack the skills to:
  - negotiate for land purchase with willing sellers of agricultural land in market-based land transactions;
  - plan their projects adequately; and
  - farm commercially and sustainably.

The second level of policy instrument is a *technique*, which is a device through with the policy instrument becomes operational, examples of which are:

- subsidies;
- standards;
- grants;
- arbitration;
- licensing;
- sanctions;
- education;
- contracts;
- privatisation;
- public corporations;
- quasi-government arrangements; and
- vouchers (Schneider Ingram, 1990:511-512).

The administration of the LRAD programme involves the use of:

- grants (e.g. planning grant, LRAD grant and CASP grant);
- education (e.g. agricultural extension); and
- contracts (e.g. the use of tenders to provide services such as property valuation).

The third level of policy instrument is a *tool*, which is a micro-device located within a technique. This could, for example, refer to specific text within the legislation indicating the types of obligations, the types of sanctions and the types of grants.

The tools approach attempts to match policies and instruments, with the capacity of the policy/instrument interplay to bring about the desired effects in society (Peters, 2000:40). Technical and political constraints faced by a state tend to place a limit on the options that are considered feasible. Substantive and procedural constraints also determine what is considered feasible (Howlett & Ramesh, 2003:145).

Policy options differ in the extent to which they offer solutions to problems, with some calling for new and substantial policy change while others involve minor tinkering with existing policies and programmes (Majone in Howlett & Ramesh, 2003:146). Some

policy instruments produce different effects depending on whether policy is implemented where government is the main or sole actor, or through a network (Peters, 2000:37). This necessitates continual adjustments to be made to policies in order to make them functional within a political system (Peters, 2000:37). Hall (in Howlett & Ramesh, 2003:144) distinguishes between first-order change, whereby only the settings of existing policy instruments are varied, second-order change, which is brought about in the basic instruments used to effect a policy or programme and third-order change, whereby the goals of a policy are altered. The other consideration to make policies much more effective is to use multiple instruments within one policy, which, however, has a negative side-effect in terms of how to manage the policy by co-ordinating the different instruments to ensure effective policy implementation (Lascoumes & Le Gales, 2007:5).

3.5.2 Public policy implementation

Implementation entails putting into effect the policy decisions taken during the decision stage and involves change from both organisational and policy perspectives (Slack, 2005:3). The literature on policy implementation went through three stages, namely:

- the era of description;
- the period of identifying factors responsible for effective implementation of policy as well as developing frameworks for implementation; and
- the current discourse on reconciling the divergent views regarding policy implementation frameworks (Ryan, 1999:44-45).

Implementation cannot be delinked from the policy content as well as processes involved in formulating policies (Brynard, 2005:659), hence implementation studies have all along been concerned with why a policy does or does not occur in reality as intended by the authors (Hill, 2003:267; Spillane, Reiser & Reimer, 2002:390). In most cases during policy implementation, old policy objectives are continuously being transformed in line with given resources to implement them, or additional resources are being mobilised to implement old objectives (Brynard & Stone in Fox & Van Rooyen *et al.*, 2004:41). The latter view is consistent with the incremental approach towards policy implementation.

Policy implementation happens at multiple levels, interorganisationally and intraorganisationally. According to Hanekom (in Hanekom & Thornhill, 1995:56-57), implementation of public policy involves:

- The translation of the ideas and intentions of the ruling party into an implementation or executive policy, which sets out the national priorities to be pursued by the government of the day as reflected in the national budget.
- Putting into effect the executive policy by translating it into an administrative policy, which spells out specific arrangements in terms of the organisational structure, income and expenditures, personnel, work procedures and methods, and finally controls necessary to implement the executive policy. Organs of state are empowered in terms of an act of parliament to develop regulations necessary to implement a public policy (Howlett & Ramesh, 2003:187).

Ryan (1999: 37) is of the view that the way the means-end rationality as applied to policy implementation, has been influenced mainly by three analytic modes namely:

- the Weberian mode;
- the "rational actor" mode; and
- the "managerialist" mode.

The Weberian mode relied on the logic of a bureaucratic structure, where those in authority of organisations were assumed to have the knowledge to develop means to carry out the mandate of the political principals, as well as the authority to effect uniform implementation of the directives from above (Ryan, 1999:38-39). A *policy*, according to the Weberian mode and many other studies on policy implementation is regarded as an external stimulus to which public officials must respond (Spillane *et al.*, 2002:391). Public officials are expected to develop a sound and structured implementation process, which serves as a link between theory and outcomes and through which the probability of achieving the outputs and outcomes as conceptualised in the policy content will be increased (Ethridge & Percy, 1993:343).

The process of policy implementation is, however, fraught with problems of balancing democratic principles with the bureaucratic flair of managers (Brynard, 2007:359). This was evidenced in the earlier debates concerning policy implementation models with

regard to top-down and bottom-up approaches (Brynard, 2007:359), which later shifted to an investigation into the reasons why public officials take the course of action they do rather than as expected by decision makers (Howlett & Ramesh, 2003:190-191). The question at the core of the debate is what the role of public officials should be in the policy cycle, within a democratic dispensation (Friedrich & Finer in Feldman & Khademian, 2002:542). The majority of studies that perceive a policy as an external stimulus conclude that the reasons why policies do not occur as anticipated are:

- The stimulus is weak in the sense of being ambiguous, as such its poor implementation is a function of the poor wording of the policy (Firestone in Spillane *et al*., 2002:390-391). In order for public officials to implement a policy, they have to first understand what it means in general (Hill, 2003: 267) and secondly the implications for everyday practical implementation (Pressman & Wildavsky, Van Horn & Van Meter in Hill, 2003:267). Spillane *et al*. (2002:392-421) discuss from a psychological perspective the cognitive processes involved when public officials interpret public policy.
- The stimulus is not ambiguous, but is interpreted as being inconsistent with the interests and agendas of public officials and the organisations they manage. Poor implementation is attributed, firstly, to failure to notice (i.e. poor interpretation of policy) the relationship between the policy and the organisation's mission, secondly, to officials giving selective attention or modifying policies to make them fit with the agendas and interests of organisations that they manage, thirdly, to officials simply ignoring these policies (Firestone in Spillane *et al*., 2002:390-391) and fourthly, to officials blocking the flow of political, financial, managerial and technical resources with respect to policies they are opposed to (Brynard, 2007:36).
- The stimulus is not ambiguous, but public officials are rational and utility-maximising actors who through corrupt practices capture political, managerial, financial and technical resources to promote their self-interests rather than the policies they are supposed to implement (Sajid in Brynard, 2007:360).

The above-mentioned interpretive ability of policy implementers is consistent with symbolic interactionism (Denzin, 1969:923-924; Sandfort, 2000:741-742; Sewell, 1992:4-21), which posits that:

- human beings live in an environment that does not have any intrinsic meaning and an inherent structure;

- the meaning attached to objects (i.e. an event around which to organise social action, such as a public policy) and the social structures that people create are constructed in a group or interactional perspective (such as in government departments);

- in the process of creating social meaning, people develop a social structure, which is composed of:

  o 'schemas', defined as the "generalizable procedures applied in the enactment/reproduction of social life" (Giddens in Sewell, 1992:8), that can be applied in a variety of contexts, of which in the organisational context can refer to the beliefs, knowledge and practices shared by all staff in terms of how policy should be implemented; and

  o the human resources (e.g. physical strength, dexterity, knowledge and emotional commitment) as well as non-human resources (e.g. physical, financial, managerial, technical and political resources), both of which "…are media of power and are unevenly distributed" (Sewell, 1992:9-10);

- there is duality of action between 'generalizable procedures' and resources (Sewell, 1992:12-26) in that:

  o the social structure enables and constrains action;

  o human beings are social agents capable of creating and transforming social structures, which structures also enable and constrain social action;

  o generalisable procedures can result in asymmetrical accumulation of resources (e.g. with some people becoming more informed and knowledgeable about the 'generalisable procedures'), and can have a determining influence in terms of what resources to mobilise to effect social action (e.g. who should be consulted to interpret a policy); and

  o the pace and direction by which the generalisable procedures are transformed depend on the distribution of resources over time and space;

- the social structures are a product of a process of inter-subjective meaning-making, and as such will continuously be negotiated, re-negotiated, and transformed; and

- in the context of public policy, public officials develop a social structure for policy implementation which may not be consistent with management mandate or official rules but is manifested in the practices which they undertake as well as the meanings they attach to these practices (Sandfort, 2000:742), and which structure they internalise, institutionalise and transform by constantly negotiating and renegotiating its meaning depending on factors such as the content of the policy, the ambiguous nature of the policy and availability as well as distribution of resources.

Public officials thus exercise their will in terms of interpreting the policy implementation process, which can turn policy implementation into "…a political process that is concerned with who gets what, when, how, where, and from whom", and not simply a managerial or administrative problem of transforming policy ideals into policy outputs (Brynard & Stone in Fox & Van Rooyen, 2004:39). In terms of the principal-agent theory, among the problems affecting implementation are such issues as indirect control by politicians of public officials who have too much discretionary power (Box, 1999:28; Brynard, 2009:564), and the fact that most policies are implemented in a complex intergovernmental context thus requiring intergovernmental co-ordinating mechanisms to be put in place (Brynard, 2009:565; Campbell and Szablowski, Mayntz, Rogers & Whetton in Howlett & Ramesh, 2003:191). Lipsky (in Dicke, 2004:233) argues that public officials operate in an environment that is too complex to be reduced to programmed decisions, and as such, argues for much discretion to be granted to public officials to perform their duties. According to Carrington (2005:143), there is no universally accepted definition of *discretion*; however it contains two fundamental characteristics, namely:

- the freedom that the decision-maker has to choose between two or more courses of action; and

- the freedom to choose whether to act or not based on one's judgement or existing rules.

Arguments in favour of discretion (Appleby, Bohte & Meier, Denhardt, Gulick, Locke & Bryner, Ranson & Stewart, Rumgay & Brewster, Scott, Stone, Wilson in Carrington, 2005:143-145) are that policies cannot anticipate all eventualities and are at times vague, an issue already raised by Simon (in Parsons, 2003:278) with his idea of bounded rationality, and that due to limited resources improvisation is required.

Arguments against the exercise of discretion (Bryner, Forsyth, Keiser & Soss, Keiser, Lipsky, Reiman, Rohr, Scott, Wilson in Carrington, 2005:146-147) are that:

- accountability and democracy might be compromised, a concern also raised by Harold Laski (in Im, 2001:104);
- discretionary decisions might be *ultra vires*;
- it might result in arbitrariness whereby different standards would be applied to different citizens; and
- due to the decline of financial resources, public officials might tread into the domain of politics when rationalising about 'who gets what'.

According to Herring (in Shafritz & Hyde, 1992:75), during policy implementation, public officials are given wider discretion within the delimitations set by legislative principles, to interpret the purpose intended by the legislators (which in most instances is a product of political compromise), and to provide details in the form of regulations in terms of how legislation can be implemented. Although the role of public officials in policy implementation is not to determine the policy content, they are nevertheless drawn deep into the process of policy development in terms of interpreting how policies should be implemented. Policy implementation also entails engaging in a political process of reconciling rights, privileges and interests between interest groups, which makes them to lose their 'political neutrality' within the politics and administration continuum. In carrying out their duties, public officials would inevitably bestow benefits to some groups and individuals and deny others (Johnson, 1996:3).

A number of scholars (Fesler, 1980:4; Feldman & Khademian, 2002:542; Nzwei & Kuye, 2007:196) have argued that public officials do play a role in the entire policy process, but that their involvement should be confined within and guided by the values and goals of political principals. In carrying out their functions, public officials must remain vigilant and committed to detect any shortcomings (dysfunctional situation) that impact negatively on

the achievement of policy objectives of government, as well as raise them with the relevant legislature by way of policy proposals (Cloete, 1998:80). Feldman & Khademian (2002:542) argue that due to the expertise of public administrators they should play such an important role, and by doing so contribute towards attainment of democratic ideals for which political principals aspire to achieve. Nzwei & Kuye (2007: 200) emphasise the role that public officials do and can play in the policy domains within developmental states.

The almost 300 variables that have been identified to be the cause for why or why not effective implementation occurs (Hill, 2003:267), converge around five critical explanatory variables (Brynard and Stone in Fox & Van Rooyen, 2004:39; Hill, 2003:267; Spillane *et al*., 2002:389-390). These five interlinked variables, also known as the 5C protocol (Brynard & Stone in Fox & Van Rooyen, 2004:39), are as follows:

- The content of the policy, which includes:
  - policy goals;
  - the causal theory; and
  - methods/instruments used to implement the policy (Brynard, 2005:659).
- The institutional context or corridor through which policy must travel and by whose boundaries it is limited in the process of implementation. An organisation is part or sub-set of a larger social, economic, political and legal context or system, which can and does influence the implementation process (Brynard, 2005:659).
- The commitment of those entrusted with implementing the policy at various levels. *Commitment* refers to "an ability to maintain the focus on an initiative from its inception through to its delivery" (Brynard, 2009:561). The challenge of ensuring commitment by front line public officials is an issue common to all public organisations, and which requires managers to employ leadership skills (Riccucci, Meyers, Lurie, & Han, 2004:438). The other view to ensuring cascading of commitment from the top to the bottom of the hierarchy is that political backing or the exercise of political will is required (Brynard, 2009:561).
- The administrative capacity in the form of structural, technical ability, as well as organisational culture to carry out the changes demanded of it (Brynard, 2005:660). An organisation's administrative capacity is influenced by its ability to

adjust in relation to the dimensions affecting administrative capacity, chief of which are public interest, participation in the local economy (economic dimension), and the available systems and tools that enhance or constrain public managers from achieving operating effectiveness (Wise, Sinclair & Amna, 1996:155).

- The support of clients and coalitions whose interests are enhanced or threatened by the policy (Brynard, 2005:661). Clients can also take part in policy implementation through co-production during the policy implementation process (O'Toole, 2000:266). The management and delivery of services are no longer the preserve of professionals and managerial staff (Bovaird, 2005:222), as such professionals and managerial staff have to trust the service users by giving them the room to make certain decisions and set key behaviours that are instrumental in initiating the service delivery process (Barnes, Marilyn, Harrison, Steve, Mort, Maggie, Shardlow, Polly& Wistow, Gerald in Bovaird, 2005:222).

3.6 ORGANISING FOR POLICY ADMINISTRATION

Organising consists of "classifying and grouping functions as well as allocating the groups of functions to institutions and workers in an orderly pattern so that everything the workers do will be aimed at achieving predetermined objectives" (Cloete, 1994:124). In classifying, grouping and allocating functions, the above definition deals with the activities involved in:

- constituting administrative executive institutions;
- allocating and distributing functions and power between the spheres of government; and
- determining the organisational structures of government institutions.

3.6.1 The bureaucratic form of organisation

The definition by Cloete (1994:124) has similarities with the analytic model of bureaucratic organisation as described by Olsen (2006: 3), whereby an organisation is viewed in instrumental terms (i.e. efficient and effective execution of predetermined objectives, commands and orders from higher echelons in the administrative hierarchy). The political values and preferences of voters are translated into laws and regulations,

which are implemented and enforced by public officials (Sørensen & Torfing, 2005:201). Heywood (in Jordan, Wurzel & Zito, 2005:481) considers the following as the core functions of government:

- the ability to make law (legislation);
- the ability to implement law (execution); and
- the ability to interpret law (adjudication).

Government is typically associated with bureaucracy, legislation, financial control, regulation and force (Richards and Smith in Jordan *et al*., 2005:481), a system typical of command and control implemented within multi-level hierarchal organisations. Government must, within the context and limits of the enabling legislation, act on behalf of its legislature by issuing directives to the administrators/executives subordinate to it, to give effect to the provisions of the legislation (Cloete, 1998:59). Government also exercises control over directives given by ensuring that they were carried out in an economical, effective and efficient manner. According to Cloete (1998:59-60) governmental institutions must also perform the following functions on behalf of the legislature:

- make policy proposals (Bills) to enact new legislation or amend existing ones;
- make estimates of income and expenditure for the state departments or state institutions for approval by the legislature, in order for the administrative executives to carry out their assigned mandates; and
- submit reports to inform the legislature about the extent to which policies and programmes of government have been implemented by the administrative executives.

According to Olsen (2006: 2), the term *bureaucracy* could refer to the following:

- a *bureau* or *office*, which is a distinct organisational setting and which is "…formalized, hierarchical, specialized with a clear functional division of labour and demarcation of jurisdiction, standardized, rule based, and impersonal";
- a *bureaucracy*, which refers to appointed, salary-dependent, professional, full-time administrative staff characterised by long-term employment contractual relations with the employer, and who are rewarded on the basis of "formal education, merit, and tenure"; and

- a *bureaucracy*, which is a normative hierarchical organisational structure founded on authority derived from legitimate, rational-legal political order which gives the state the power to "…define and enforce the legal order".

The reference to rational does not connote rationalism but rather the authoritative ordering and structuring of the affairs of society by means of rules and regulations (Marais, 1991:231). The binding authority of the state can be claimed in the following hierarchical relationships (Olsen (2006:3):
- between citizens and elected representatives;
- between the legislature and government institutions;
- within government institutions (e.g. authority relations between managers and staff); and
- between government institutions and citizens (as subjects of the law).

The third description pertaining to the binding authority of the state as discussed above is consistent with the traditional, classic and top-down form where bureaucracy is viewed either as an ideal-type (i.e. ultimate form of bureaucracy when viewed as a continuum of different forms of bureaucracy that can exist, and not the idealised form) bureaucracy or in institutional terms as described by Olsen (2006:3). The ideal-type analytical model of bureaucratic organisation developed by Weber came about not because Weber had a particular interest in the civil service (Marais, 1991:231). Though Weber did not study the civil service of the time, the civil service presented Weber with an ideal platform to exemplify his concept of legal-rational authority. According to Weber (Marais, 1991:232), the concept of legal-rational authority occupies a lower status than traditional and charismatic authority and could be exemplified as an instrument of societal domination (Marais, 1991:231). According to Shafritz & Hyde (1992:41), Weber extrapolated from the real world the key features which, when all of them are present, should constitute an ideal type bureaucracy in its mature stage. *Bureaucratisation*, which refers to "the emergence and growth of bureaucratic forms and not the perversions and illegitimate extension of the power to bureaucrats" (Olsen, 2006:3), becomes manifest due to the fact that bureaucracy as practice (e.g. public administration) approximates (i.e. is not fully developed) the ideal-type bureaucracy as visualised by Weber (Olsen, 2006:4).

Shafritz & Hyde (1992:41) suggest that where some features are absent or not fully developed in a given organisation, this does not nullify it from being called a bureaucracy, and that this should rather be construed as an immature form of bureaucracy. An ideal type therefore does not represent the best form of bureaucracy as viewed from a normative point of view, but rather one that is fully developed (Rosenbloom *et al.*, 1994:1). In terms of organising and efficiency, Weber prescribed a hierarchical arrangement characterised by a formalised structure of superior and subordinate relationships. The formalised structure spelt out in a top-down fashion clear jurisdictional areas in terms of duties to be performed, as well as a differentiated system of authority scaled down to the lowest level of management, with delimitations to prevent the arbitrary exercise of authority (Shafritz & Hyde, 1992:51).

The conduct of duties by employees, whose appointments into these organisations were based on expertise (Weber in Shafritz & Hyde, 1992:52-53), was structured by rules and regulations, which had an effect of:

- predetermining and categorising the situations which they had to deal with;
- prescribing and programming their response to the various categories of situations, thereby reducing room for arbitrary decisions, which can impinge on the rights of the subordinates as well as members of the public;
- making employees to be as impartial as possible, and whose true measure of efficiency was the effective implementation of the rules, irrespective of whether the situation at hand demands of them to act otherwise, which Weber (in Shafritz & Hyde, 1992:53) referred to as "loyalty devoted to impersonal and functional purposes"; and
- reducing communication and interaction among employees at the workplace only to those issues prescribed by regulations, resulting in the reduction of friction as a result of peripheral and personal issues encroaching onto the operations of the organisation (Merton in Shafritz & Hyde, 1992:101).

Bureaucracy in institutional terms is underlined by the normative principles and societal values that define the raison d'être, organisational form and administrative behaviour underlying public service organisations (Olsen, 2006:3). These normative values are "part of society's long term commitment to a *Rechtsstaat* and procedural rationality for coping with conflicts and power differentials" (Olsen, 2006:3). Though the policy

outcomes reached are important, more emphasis is put on whether procedural issues of rationality and administrative justice were observed in reaching the outcome (Olsen, 2006:3).

Administrative behaviour is thus governed by:
- observance of the constitutional principles and the rule of law;
- ensuring that due process is followed;
- adherence to codes of appropriate behaviour;
- adherence to professional standards; and
- the existence of a system of procedures based on rational reasons of cause and effect.

3.6.2 The organisational structure of government

Each state has an organisational structure which places the legislative institutions above political executive institutions (e.g. the national government, or in the context of a province the provincial government), and the political executive above administrative executives (i.e. heads of department) (Cloete, 1998:59). The legislature is responsible for approval of policy, which gives effect to the actions of the political and administrative executives (Cloete, 1998:85). The functional activities cannot be undertaken unless policy has been approved to state that:
- a particular function would be carried out by the state;
- an organisation has been created to carry out the functions;
- funds have been approved to carry out the function/s;
- procedural guidelines and methods for executing work have been developed;
- procedures for recruitment and retention of personnel have been approved; and
- control measures have been developed to ensure that policy objectives are achieved (Cloete, 1998:85).

When designing an organisational structure of government in a democratic state, the question of the merits and demerits of centralisation and decentralisation arises. *Administrative decentralisation* is defined as the transfer of authority in public planning, management and decision-making from national to sub-national levels of government (Work, 2002:5; Pillay, Mc Coy & Asia, 2001:2). A discussion of decentralisation is also a

discussion of governance structures, and as Feldman and Khademian (2002:544) observe, governance is about how interactions or relationships are structured. The constitution of a country (i.e. with specific reference to a federal type of organisational arrangement) sets limits and provides guidelines in terms of:

- the rationale for centralisation and decentralisation;
- the functional responsibilities of each sphere of government;
- the management of concurrent functions; and
- the management of dispute between government institutions.

The arguments in favour of decentralisation are as follows:

- Improved allocative efficiency:
  It is argued that when decisions are taken closer to the people who receive government services, such decisions are more likely to reflect and respond to their needs (Akin, Hutchinson, & Strumpf, 2001:1; Campos-Outcalt, Kewa & Thomason, 1995:1091; Faguet, 2000:128; Faguet, 2003:2). The policy choices taken in a central government will not yield the ideal outcomes because public officials would be far removed from the problems needing the attention of policy-makers (Faguet, 2000:128).

- Improved governance:
  Government activities, which became a common feature of many countries after colonialism, are perceived to be ill-informed about the needs of people (as a result of being far removed from where services are supposed to be delivered) (Faguet, 2003:2). By bringing government closer to the people, this will improve people's participation in the processes of government thereby improving the governance of policies and programmes (Smoke, 2003:9).

- Improved equity:
  It is argued that by bringing functions and resources closer to the people, as well as the decision-making power, government would be able to do a better job of targeting poverty alleviation, by distributing and redistributing public resources in an equitable manner (Smoke, 2003:9).

Arguments in favour of centralisation include the following:

- Some functions have to be centralised, in particular to ensure that national standards and norms as well as international conventions are adhered to (Shah, 1994:11; Smoke, 2003:10).
- Decentralisation may cause disparities between communities and regions with weak organisational capacity, which can result in development initiatives being hijacked by elites to further their own ends (Faguet, 2000:130; Smoke, 2003:10).

The different forms in which decentralisation can become manifest depend on whether political or administrative power and decision-making, or both, are transferred to sub-national governments or spheres of government. These different forms, namely deconcentration, delegation and devolution, have been ably described by various authors (Manor, 2003:1; Hicks in Klugman, 1994:5; Mills in Kawonga, 2004:1). Fesler (in Hutchcroft, 2001:31) argues that administrative systems be judged on a comparative basis with respect to decentralisation along the centralisation-decentralisation continuum, but cautions that both extremes of the continuum do not exist in reality since a state cannot completely centralise without risking compromising its capacity to render services, and that neither can it completely decentralise without risking complete withering of the state (Migdal in Luiz, 2000:230). In this context, administrative systems are in comparative perspective, "either more or less centralised or more of less decentralised" (Hutchcroft, 2001:31). The degree of decentralisation is manifested first by the extent to which certain functional responsibilities, financial and other resources are allocated to lower spheres of government, and secondly by the extent to which decisions pertaining to the execution of functions as well as the acquisition, utilisation and management of resources assigned to lower spheres of government are decentralised too (Stegarescu, n.d:2).

Administrative decentralisation can be manifested as follows:

Delegation of authority:

Delegation refers to "…assignment of specific decision making authority - i.e. the transfer of managerial responsibility for specifically defined functions to public organizations (e.g. parastatals) outside the normal bureaucratic structure of central

government" (Rondinelli in Klugman, 1994:4). The institutions to which decision-making authority has been assigned receive a portion of/or their full budget from central government, and have to account to a national department for the execution of functions assigned to them, as well as the utilisation of resources.

Devolution of power:

Devolution refers to the "…transfer of responsibility for governing, understood more broadly - i.e. the creation or strengthening, financially or legally, of sub-national units of governments, whose activities are substantially outside the direct control of central government" (Rondinelli in Klugman, 1994:4). Devolution involves much more extensive transfer of authority to lower level government structures, and usually involves recognition of the corporate or legal status of the entity in the constitution of a country in its own right, and in relation to other entities within a federal system of government (Hutchcroft, 2001:30).

Deconcentration of power:

Deconcentration refers to the transfer of administrative powers, and sometimes administrative personnel, from higher to lower levels in political systems (Manor, 2003:1). *Deconcentration* is also defined as "shifting power from central offices to peripheral offices of the same administrative structure" (Bossert in Pillay *et al.*, 2001:3). Hutchcroft's (2001:30) definition is consistent with the above definitions, but instead of emphasis on power, puts emphasis on the intraorganisational transfer of "particular functions" and "workloads" to regional or local offices. According to Hutchcroft (2001:30), the central transferring office retains the bulk of the authority for the development of policies, irrespective of whether implementation of policy and discretion in terms of which it has to be implemented has been granted to lower-level offices.

Fiscal de-centralisation:

Manor (2003:1) defines *fiscal decentralisation* as "the transfer of funds and/or tax raising powers from higher levels to lower levels in political systems". The transfer of authority to lower levels (in terms of the above-mentioned forms of decentralisation) to provide

services or execute certain functions derived from the constitution is characterised by the following:

- it is accompanied by decentralisation to utilise financial resources;
- the authority to raise own revenue may or may not form part of decentralisation;
- the fiscal distribution from national government is usually conditional in nature; and
- tax equalisation, whereby the burden of raising revenue to finance equitable distribution (i.e. where poorer regions get relatively more funds) to all areas falls disproportionately on those areas that are better off (Boadway, 2001:93).

The interdependency between national government and other spheres of government pertaining to redistribution and allocation of resources needs to be managed in such a way that the disadvantages of decentralisation as discussed above are minimised (Boadway, 2001:94). In addition, the following adverse effects can materialise if the interdependency relationship is not managed well (Boadway, 2001:95-96):

- negative fiscal inefficiencies, caused by the differential capacity to provide public services at comparable tax rates, causing households and businesses to relocate to areas where they believe they will receive better net fiscal benefits; and
- fiscal inequity, whereby, due to the above-mentioned problem of differential capacity, there would be inequitable treatment of citizens whereby some would receive better quality and quantity of public services when compared with others.

The structures and bureaucratic systems of government are not self-implementing. They are being brought to life, managed and implemented by human beings. The brief discussion that follows provides the contributions made by a number of scholars in terms of understanding the role of human behaviour in organisations.

3.6.3 Alternative views to understanding human behaviour in organisations

A number of scholars from the social and psychological perspectives have provided alternative views, and which tend to contradict (directly or indirectly) the structural, hierarchical, and top-down authority based assumptions made by exponents of the bureaucratic form of organising (Nyhan, 2000:87).

Robbins (1980:40-45) gives a summary of the contributions as follows:

The human relations movement:
- that group behaviour has an influence on individual worker behaviour;
- that group standards impact on the output of individual workers; and
- that money does not have much impact on the output of the individual worker.

Decision science movement:
- that decision-making is part and parcel of all administrative processes; as such optimisation models and tools were developed to enhance decision-making by rationally bounded public officials.

Behavioural movement:
- that the generic principles contradict one another, as such contingency management should thus be adopted to decide on the conditions that should guide certain management decisions;
- that informal organisations have a role in the attainment of organisational goals;
- that individual goals can be integrated into organisational goals; and
- that an employee must be consulted by managers in planning and implementing their work hence the concept participatory management.

Organisational-humanist movement:
- that a more humanistic and democratic form of management at the workplace is required.

Systems movement:
- that an organisation should be viewed internally as a system that receives inputs, processes them and converts them into outputs; and
- that when viewed from an external point of view, organisations are sub-systems of a larger system, which provides it with inputs, while the organisation also produces outputs, which also serve as inputs to other organisations.

The above viewpoints put an emphasis on how managers should manage their employees and organisations to improve on the probability of achieving policy outputs. The administrative reforms undertaken by a number of countries assumed a managerial approach to the provision of public services. These interventionist measures were adopted because of the conviction by their exponents that the traditional bureaucratic

form of government is inefficient, wasteful, and do not lead to effective achievement of policy goals. These reforms are collectively referred to as New Public Management.

3.6.4 The New Public Management

A number of public sector reforms undertaken in several countries (e.g. United Kingdom, Australia, New Zealand and Canada) have been codified as 'New Public Management' by scholars of Public Administration and Public Management (Box, 1999:21; Carstens & Thornhill, 2000:177; Dunleavy & Hood, 1994:9; Kaboolian, 1998:189). *Reform* refers to "the process or procedure of becoming better by removing or abandoning imperfections, faults and errors" (Thornhill in Carstens & Thornhill, 2000:178). *New Public Management* generally refers to reform measures to reorganise the public service by bringing it closer to the private sector in terms of:

- management practices;
- reporting; and
- accounting (Dunleavy & Hood, 1994:9).

According to critics of the New Public Management, the malfunctions of bureaucracies are:

- inefficiency;
- ineffectiveness;
- high costs; and
- the self-serving behaviour of bureaucrats.

The idea of post-bureaucratic organisations was bandied around by those who predicted the demise of bureaucratic organisations (Hodgson, 2004:83; Kernaghan, 2000:92). Public choice theorists viewed decision-making within organisations as a rational process where a 'self-interested' man would adopt maximisation strategies (Ostrom & Ostrom in Rosenbloom *et al*., 1994:23). *Maximisation* implies consistent choice of strategies that would yield the highest benefits in terms of own preferences (Ostrom & Ostrom in Rosenbloom *et al*., 1994:23). Public choice theorists argue that government officials are rational beings, but who pursue the maximisation of self-interest, thus contributing to inefficiency and ineffectiveness in government (McCurdy, 1986:44). Organisational performance cannot therefore be achieved through administrative

reforms initiated by officials themselves, but by employing incentives similar to those used in the competition model in order to bring about change (McCurdy, 1986:44).

Douglas (in Dunleavy & Hood, 1994:9) identifies two key aspects of reorganising the public service, which the New Public Management approach attempts to achieve, namely:

- to reduce the distinctive features of public service organisations as opposed to private sector organisations pertaining to:
  o personnel management;
  o reward structure; and
  o general management;
- to reduce the level of formalisation and standardisation, which limits discretionary powers of managers, particularly around issues of:
  o appointment and management of staff;
  o contracts in general; and
  o acquisition and management of funds.

The administrative reforms have in many instances changed the way in which the public sector works by creating a three-way split of functions namely:

The policy development function: This function is carried out by political office-bearers who are in charge of development of macro-policies and resource allocation. The separation of politics from administration in a way resuscitates the politics and administration dichotomy in its assumption that by removing administrators from the strife, rigour and potential distractions of policy-making, efficiency and effectiveness will be achieved (Manning, 2001:299)

The commissioning function: This function is carried out by public officials within government departments who have to ensure that the macro-policies are implemented. Their tenure of office as well as performance management is contract based (Christensen & Laegreid, 2001:79) and is informed by the underlying assumptions behind the principal-agent theory (Box, 1999:28).

However, performance contracts can promote:

- the 'check-list mentality', i.e. the attitude whereby if public managers are of the view that certain responsibilities do not form part of their performance targets, they will not perform even though such responsibilities are critical for promoting the general welfare of society; and

- the pursuit of self-interest, i.e. pursuit of individual or organisational performance targets which are incentive based, at the expense of collective interest, e.g. failure to co-operate with other officials or organisations for the joint achievement of collective objectives of government (Christensen & Laegreid, 2001:86).

Public officials develop specifications, negotiate, enter into and manage contracts with service providers. Government's role is to create competition internally and externally in the supply of public services (Warner & Hefetz, 2008:156).

The provision of services function: Box (1999:31) draws a distinction between provision and production of public services, with *provision* relating to a policy decision made by elected representatives whether a service should be provided by government, and if the answer is yes, *production* refers to how such a service should be delivered to the public.

Martin (2000:216-222), reflecting on the implementation of the best value regime in the United Kingdom, outlines four methods by which the provision and production of services can take place:

- In-house provision by government departments: The focus is on incremental improvements in the quality and/or cost-effectiveness of the service being provided, by using service-based performance indicators or benchmarking against other departments that provide the same service.
- Provision of services through market mechanisms: Government departments procure services from the market via tender systems, with the aim of either reducing the cost of public services or bringing capital

injection through public-private partnerships for services that government does not have sufficient funds (Grimshaw, Vincent & Willmott, 2002:476). The provision of services through market mechanisms also involves creation of quasi-governmental institutions that compete with private sector entities through the tender systems for the right to deliver public services (Manning, 2001:299).

- Provision of services based on cross-cutting issues and common clients: The provision of services is structured around common or cross-cutting policy issues as well as those targeting specific clients, e.g. services targeting women, youth and disabled people. This method requires the clustering of services, as well as the application of methods to better co-ordinate functions which are carried across organisational boundaries.

- Provision of integrated services to specific communities: Local communities are given the power e.g. through ward councillors, to design a menu of services by prioritising those that are important to them, including how they should be implemented. The planning and implementation of these integrated public services require cross-cutting service teams from governmental institutions to assist communities, which again pose a challenge of co-ordination.

The criticisms against New Public Management are as follows:

- Where the all-or-nothing approach or complete outsourcing is pursued, there is a danger that public services might not be delivered should the contract fail (Warner & Hefetz, 2008:157-158). To mitigate against this potential risk, Warner & Hefetz (2008:157-158) support the notion of a mixed service delivery, which ensures that government develops internal capacity to be a player in the market for delivery of public services to ensure a fail-safe delivery.
- Privatisation has high transaction costs associated with developing and monitoring contracts (Kavanagh & Parker, Sclar in Warner & Hefetz, 2008:157; Walsh & Davis in Enwistle & Martin, 2005:234).

In explaining transaction costs, Brown, Potoski & Van Slyke (2006:326) distinguish between:

- o asset-specific services, which are highly specialised investments that cannot be used for other organisational activities or marketed to other service purchasers; and

- o ease of measurement services, which are easily measurable in terms of output, outcome, quality and quantity.

Since there would be few service providers willing to invest in asset-specific services, contracting on these services can leave government with only one service provider retaining the monopoly to render such services. This situation can be exploited by increasing the price and lowering the quality of services provided, resulting in high transaction costs for government (Brown *et al*., 2006:326). Contracting for difficult-to-measure services leaves government vulnerable to service providers' exploitation of the information gap by varying the quality and quantity of services provided, with the result that putting more effort and resources into managing these difficult-to-measure contracts increases transaction costs (Brown *et al*., 2006:326).

Giving citizens a voice and continual involvement in the service delivery process is critical for effective delivery of public services (Crocker, Denhardt & Denhardt, Mintrom, Osborne & Plastrick, Potapchuck, Schechter in Warner & Hefetz, 2008:157). However, market delivery, which treats citizens as clients, does not sufficiently give citizens a voice in the service delivery process (Warner & Hefetz, 2008:161). The norms borrowed from the private sector by exponents of New Public Management are at odds with the values of "democratic politics and administration" as epitomised by "accountability, citizen participation, open policy-making processes, and stewardship" (Terry in Box, 1999:33).

New Public Management is a double-edged sword which creates a paradox by prescribing for both centralisation and decentralisation of power, in that politicians as agents of the public must be given more power to control public officials, while at the same time it is argued that for public officials to perform their work efficiently, they need to be free from political interference and given administrative discretion (Christensen & Laegreid, 2001:78). By granting public officials too much administrative discretion and flexibility to apply their entrepreneurial flair in deciding how funds should be utilised for

the achievement of public goals, the accountability relationship between the public and political office bearers, as well as between public officials and political office-bearers could be undermined (Box, 1999:35).

By assuming that citizens would vote with their feet to indicate the types, quality and quantity of services they want, New Public Management relies on the use of market forces to ensure accountability (Kaboolian, 1998:191). Though the market value of efficiency is desired, the application of private sector-derived entrepreneurial techniques runs the risk of:

- turning public officials into independent actors separated from the public whom they serve as well as the political officials to whom they are accountable;
- turning public officials into actors whose values are not sympathetic to and driven by the public interest;
- going against the public service value of equal treatment of citizens because efficiency, cost recovery and profit maximisation are pursued, with the resultant marginalisation of the resource-poor 'customers', who are the primary concern of most government programmes; and
- yielding policy outcomes that were not anticipated (Box, 1999:35).

In spite of criticisms of the bureaucratic forms of organising, it has endured not so much as a result of its academic correctness, but due to the apparent benefits it offers those who find themselves secure within its prescriptions (Thornhill, 2006:798). Different states thus continue to adopt the bureaucratic form of organising, and many government functions remain performed by vertically integrated bureaucratic organisations (Manning, 2001:300). The following section further considers the different forms through which the administration of public policy can be organised.

3.6.5 Governance

The definition of governance takes on a number of different meanings, depending on the types of actors involved (Driesen in Runhaar, *et al*., 2006:35). According to Jordan *et al.* (2005:478), the term *governance* has a much wider appeal than the narrow term of *government*, since it covers a whole range of institutions and relationships that are involved in the process of governing. The central question at the core of governance is

how can government agencies, programmes and activities be organised and managed such that public purposes are achieved (Heinrich & Lynn, 2000:1).

Osborne and Gaebler (in Jordan *et al.*, 2005:480) distinguish between *steering* (setting policy goals) and *rowing* (achieving policy goals through the selection and use of policy instruments). The word *steer* (a person) is defined as "to guide; lead"; whereas *row* (of the boat) is defined as "to be moved by the use of oars" or "to cause [a boat] to move by the use of oars" (The World Book Dictionary, 1993). Steering involves identification of, as well as leading or guiding towards a destination. *Governance* in this context is an output or outcome-based activity measured in substantive terms of end results, such as the indicators of governance (Olowu & Sako, 2002:15). *Rowing* involves the structural mechanisms and processes involved in activating and sustaining action towards a destination. *Governance* in this context is perceived as a dynamic process involving the interrelationship between a number of factors which affect the achievement of an output or outcome (Olowu & Sako, 2002:15).

According to Jordan *et al*. (2005:480-481), to understand the meaning of the terms in relation to each other, *government* and *governance* can be placed along a continuum, with one extreme end representing *government*, which represents much state involvement in steering and rowing, and on the other extreme end being *governance*, which symbolises much control by civil society and other economic actors in steering and rowing.

Governance is first perceived as the "regimes of laws, administrative rules, judicial rulings, and practices that constrain, prescribe, and enable government activity" (Heinrich & Lynn, 2000:4). *Governance*, according to this definition, is an end in itself, since it represents a culmination of a process, which translates competing societal values into operational guidelines for setting and implementing government policy priorities.

The constitutive aspect of governance deals more with substantive issues of rule-making at a political level, in terms of:
- determining the rules of engagement between various structures of society;

- determining the form of the political system and by extension, that of public administration;

- defining the role of the legislature as both the legislative and oversight body of government;

- determining the functions of the political executive as well as parameters within which it should go about exercising the power of the state;

- determining the role of the judiciary as the independent body responsible for interpreting and enforcing government legislation, as well as developing and maintaining standards for administrative justice; and

- establishing mechanisms for articulation and reconciliation of divergent societal values.

Within the development debate, the constitutive side is seen as an independent or explanatory variable for development (Hyden & Court in Olowu & Sako, 2002:19). International development agencies have coined the term *good governance*, which is equated to and seen to symbolise values of liberal democratic Western societies (Janning in Van Kersbergen & Van Waarden, 2004:144-145; Hyden & Court in Olowu & Sako, 2002:25). The concept of *good governance*, which is linked to the World Bank's involvement in sub-Saharan Africa (Kooiman, 1999:71), "…marries the new public management to the advocacy of liberal democracy" (Rhodes in Van Kersbergen & Van Waarden, 2004:145). The presence of features of liberal democratic values within a political system and thus perceived as good governance, has not found universal acceptance, especially in countries with different societal values from those found in Western societies (Hyden & Court in Olowu & Sako, 2002:25). An alternative approach has therefore been the adoption of a human rights approach to symbolise good governance (Hyden & Court in Olowu & Sako, 2002:25).

The human rights approach places emphasis on values that promote human development, namely:
- that citizens or people are at the centre of all government development efforts, such as, for example, land redistribution;

- that poor people should not just be treated as beneficiaries of benevolent charity programmes of the rich, but as people who are entitled to a decent standard of living; and

- that how people are governed is as important as the outcomes of development itself (Hyden & Court in Olowu & Sako, 2002:25).

In the context of public policy formulation and implementation, *governance* implies "an arrangement or configuration of distinct but interrelated elements in the form of: statutes, including policy mandates; organizational, financial, and programmatic structures; resource levels; administrative rules and norms - that constrains and enables the tasks, priorities, and values that are incorporated into regulatory, service production, and service delivery processes" (Heinrich & Lynn, 2000:4). A given configuration of factors induces public programmes and performance of government institutions, as well as mediates the effects of particular strategies undertaken to bring about specific changes in society (Heinrich & Lynn, 2000:5). This is achieved through a process which distributes resources and responsibilities, and links the objectives of various stakeholders, established and concretised through the legislative process, with the operational activities within government agencies to produce specific outputs and outcomes (Heinrich & Lynn, 2000:4).

A configuration of factors within the political and administrative system of government:
- represents a complex pattern or structure of interaction;
- is subject to the dynamic forces at play, which seek to induce change or bring about stability; and
- emphasises the goals, intentions, powers, opportunities and responsibilities of the individual actors (micro-level), organisations and management (meso-level) and states or provinces (macro-level) interacting within a hierarchical system of systems within systems (Kooiman, 1994:40-41).

Interaction represents the dynamic forces that operate within society, and consists of three elements, namely action level, structural level and the level (micro-, meso-, and macro-) where the interaction between different units in a system takes place (Kooiman, 1994:38). Interaction can become manifest in three forms as interference, interplay and intervention (Kooiman, 1994: 38). Interference is basic to all forms of natural and social life and within the context of social life, is concerned with the processes, structures and human dynamics whose purpose it is to bring order within a complex system of human interactions at the level of a community (Kooiman, 1994:38). Through institutional

analysis, often referred to as 'new institutionalism', scientists are able to gain better insight into how individuals, communities, organisations and societies develop rules which structure relationships into rule-based ones (Sawyer in Akinola, 2007:224).

Interplay represents more organised interactions of a mutually beneficial nature, which takes place in formal structures (Kooiman, 1994:38), an example of which is the interorganisational, government with society or network approach. Society as a system of human interaction and co-operation must develop institutional arrangements to ensure collective action, sustained livelihoods and survival (Akinola, 2007:225). *Institutions*, which interpret the rules or prescriptions that humans develop in order to organise and co-ordinate "…all forms of repetitive and structured interactions" (Akinola, 2007:224, Powell & Di Maggio in Lascoumes & Le Gales, 2007:8), must be constantly reviewed against the consequences which they produce. They should as well be harmonised with each other. Institutions come into being due to a need to deal with exogenous variables impacting on the group, community, society and organisations (Akinola, 2007:225). Participants interacting within rule-bound settings are confronted with choices about strategies and actions to take in order to deal with exogenous variables, and with each choice follow certain consequences (Akinola, 2007:224).

Governance can generally be perceived as "directed influence of social processes" (Kickert, Klijn & Koppenjan (1997:2). *Intervention* is an organised and directed activity, which in most cases represent a top down government and society interaction where government is the major player in the process of interaction (Kooiman, 1994:38).

The interventionist role is consistent with the idea of the state as:
- an arena or platform through which different interest groups interact, and is capable of mediating their conflicting and self-interested views, beliefs and needs; and
- an actor in its own right, autonomous in its actions and capable of transforming society (Martinussen in Luiz, 2000:228).

Government uses policy instruments as institutions to regulate, prescribe and structure interactions and power relations between members of society as they attempt to gain mastery of their external environment (Lascoumes & Le Gales, 2007:8). In an attempt to

reconcile the definition of governance within public policy with the dynamics of structures, complexity of interactions, as well as the diversity of policy actors, which together serve to determine solutions and outcomes to identified socio-political problems, Kooiman (1994:43) proposes the concept of governability. *Governability* is a concept which balances the need for society to be governed in the direction that solves a socio-political problem, with the capacity required to govern the socio-political problem (Kooiman, 1994:43). Positive outcomes can lead to the re-enforcement of existing institutional arrangements to deal with a particular exogenous variable, whilst negative consequences may result in participants re-evaluating the institutional arrangements and effecting changes which might lead to new forms of interactions as well as outcomes (Akinola, 2007:2005).

The complexity in terms of needs as well as capacity required to govern differs from one policy domain to the other, hence a need to make adjustments to accommodate these dynamics (Kooiman, 1994:43). The adjustment involves a continuous process of fine-tuning policy instruments by:

- revisiting the needs in terms of looking at the multiplicity of appropriate solutions available to socio-political problems;
- revisiting the capacity issue by identifying how the identified solutions can be effectively implemented; and
- integrating the above two through a process which links certain solutions to central government only, others to government structured as intergovernmental relations, and finally to government-private sector partnerships (Kooiman, 1994:43).

The concept *governability* represents a synthesis of governance as mechanisms for control with governance as network management. Given the vertical and horizontal segmentation of the state (Eising & Kohler-Koch in Van Kersbergen Van Waarden, 2004:150), governance through intergovernmental structures manifests itself as "implicit and explicit principles, norms, rules, and decision making procedures around which actors" converge in terms of managing power relations within a multilevel government institutions (Van Kersbergen & Van Waarden, 2004:150-151). In structural terms, a hierarchy can be viewed as "a centralized network in which the vast majority of ties flow

to or from a particular node" (Podolny & Page, 1998:59), such as the relationship between national and provincial government.

Inherent within the organisational structure of a state is the *authority* which is defined in the constitutive policies in terms of what each sphere of government can and cannot do. *Intergovernmental relations* (IGR) refers to "the interaction and mutual impact between governments at the different levels (spheres) of government" (Pauw, Woods, Van der Linde, Fourie & Visser, 2002:26). *Intergovernmental relations* involve complex and interdependent relations among various spheres of government, as well as the co-ordination of public policies among the spheres through programme reporting requirements, grants in aid, the planning and budgetary process, and informal communication among officials (Fox & Meyer in Fox & Van Rooyen, 2004:100). Malan (in Fox & Van Rooyen, 2004:100) is of the opinion that IGR also involves fiscal and administrative processes for sharing of financial and other resources among the three spheres of government. Intergovernmental relations can take the form of (O'Toole & Meier, 2004:471):

- service agreements;
- intergovernmental regulations; and
- regular ties based on and sustained by intergovernmental aid, particularly grant in aid.

Based on the above definition by Fox & Meyer (in Fox & Van Rooyen, 2004:100), IGR requires the recognition of three important elements:

- interdependency in the formulation and implementation of public policy, whereby the three spheres of government have to capacitate one another by sharing resources and information that are crucial for formulation and implementation of public policy;
- co-ordination of the implementation of public policy in terms of the principles of economy, efficiency and effectiveness, which entails assigning clear responsibilities and ensuring that there are no jurisdictional overlaps on policy matters; and
- informal but regular communication to discuss issues of mutual interest.

Governance can alternatively be viewed as networks of formal and informal and public/private interactions between multisector organisations for the achievement of objectives. In the context of public management literature, Agranoff and McGuire (in Berry, Brower, Choi, Goa, Jang, Kwon & Word, 2004:544) refer to *networks* as "multi-organizational arrangements for solving problems that cannot be achieved, or achieved easily, by single organizations". The network approach is consistent with the understanding by public administrators of *governance* as a concept that transcends the narrow institutional boundaries of public administration (Hyden & Court in Olowu & Sako, 2002:16). According to Milward and Provan (in Hill & Hupe, 2002:14), *governance*"… is concerned with creating the conditions for ordered rules and collective action, often including agents in the private and non-profit sectors, as well as within the public sector" as well as "…the means for achieving direction, control, and co-ordination of wholly or partially autonomous individuals or organizations on behalf of interests to which they jointly contribute" (Heinrich & Lynn, 2000:2). Stoker (in Jordan *et al.*, 2005:481) is of the opinion that "…the very essence of governance is its focus on governing mechanisms which do not rest on the recourse to the authority and sanctions of government".

Governance as horizontal institutional arrangements of governing refers to the granting of a much greater role by the state and multinational bodies to private economic actors and elements in civil society in policy-making, administration and implementation (Swyngedouw, 2006: 1992). In the context of a failing or failed state, the emergence of such horizontal institutional arrangements is perceived as:

- empowering; and
- democracy enhancing and more effective ways of governing, compared with the "…sclerotic, hierarchical and bureaucratic state forms that conducted the art of governing during much of the 20th century" (Swyngedouw, 2006:1992).

Governance requires "social partners and the knowledge of how to concert action among them…" (O'Toole in Heinrich & Lynn, 2000:3). The network approach emphasises a shift in terms of managing socio-political problems where government is:

- seen as the sole player in determining the appropriate 'governing needs' or policy instruments, and
- perceived to have the 'governing capacity' to deal effectively with identified socio-political problems (Kooiman, 1994:44-45).

Government and governance do and can interact along a continuum, with much state role at one extreme end and civil society role at the other extreme end as follows:

- complementing one another without merging (co-existence);

- merging with one another (fusion);

- competing and conflicting with each other (competition); and

- one replacing the other (replacement) (Eberlein & Kerwerin in Jordan *et al.*, 2005:481).

This interaction arrangement is represented in Table 3.1.

Table 3.1: A simple typology of governance types

	Government determines societal goals	**Society determines societal goals**
Government selects policy instruments	STRONG GOVERNMENT (hierarchical steering from the centre)	HYBRID TYPES
Society selects policy instruments	HYBRID TYPES	STRONG GOVER-NANCE. (Society is 'self-steering' and 'self-organising')

Source: Jordan *et al.* (2005:484)

Two or more organisations can engage in interorganisational relationships and exchange resources among each other with a view of achieving objectives unique to each institution or those to which they contribute jointly towards their achievement (Van de Ven in Broom, Casey & Ritchey, 1997:90). According to Van de Ven and Walker (in Broom *et al.*, 1997:90), three conditions must be present for interorganisational relationships to be formed, namely:

- due to the scarcity of some resources experienced by one organisation in relation to another, a dependency relationship on the other organisation can develop (Shermerhorn, 1975:848);

- due to a need for specialised skills or services essential for the achievement of organisational goals and objectives (Jackson, 1995:239-243); and
- when organisations operate within a similar policy domain, such as the agrarian and land reform policy domain, where they might be:
    o servicing the same clients;
    o providing the same services;
    o requiring or having the same skills in order to carry out their functional responsibilities; and
    o responding to the same client needs.

In the above context, the relationship might take the form of competition. Organisational action by members participating in goal-directed networks based on policy domain similarity or goal consensus is not only driven by narrow individual organisational goals but also by network-level goals (e.g. the need to reduce competition and conflict among members, improved client service, attracting network-wide funding and other critical resources) (Provan & Kenis, 2007:239).

Oliver (in Broom *et al*., 1997:90-91) characterises the types of interorganisational transactions or exchanges as follows:

1. Necessity: This arrangement is common in public service organisations (Isett & Provan, 2005:150-151), and is the kind or interorganisational relationship that is derived from legal or regulatory authority, and is political in nature (Rodriguez, Langley, Béland & Denis, 2007:154). The governing authority mandates organisations to co-operate with one another. In this arrangement, one or two institutions are formally given the mandate to intervene by convening institutions who out of their own accord do not see the necessity of convening, and the manner in which the intervention takes place (i.e. mechanisms for initiating and sustaining the interorganisational relationships) is prescribed and performance monitored within the hierarchy of the bureaucracy (Benson in Rodriguez, *et al*., 2007:156).
2. Asymmetry: Organisations that are resource dependent might form inter organisational relationships where power relationships are imbalanced. Such relationships sometimes come about with a loss of authority from a resource dependent organisation. For organisations to participate, they first have to satisfy

themselves that the incentives for participation are sufficiently enough to meet their interests (Rodriguez *et al*., 2007:156).

Oliver (1991:146) draws from a number of studies to highlight that both institutional theory and resource dependence theory converge around the following viewpoints:

- A variety of pressures from the external environment limits the choices that organisations can make.
- Organisations share collective and interconnected environments. In the context of networks, the concept of *legitimacy*, which is used more in institutional theory, has relevance.
- For organisations to survive, they must respond to a number of expectations and demands.

The divergent points are that resource dependence theory emphasises the need for organisations to adapt to uncertainties or pressures imposed by the task environment, by coping with and managing difficult interdependencies, as well as ensuring a stable flow of future resources to the organisation (Boyd, 1990:419; Heimovics, Herman & Coughlin, 1993:420; Oliver, 1991:148; Rowley, 1997:895; Tolbert, 1985:1). According to the resource dependence theory, the external locus of power lies with those who control resources, and that in order to achieve internal stability in terms of flow of resources, organisations are perceived to be powerful in a sense of being able to exercise influence over exchange partners (Oliver, 1991:149). Casciaro and Piskorski (2005:169-172) believe that the extent to which an organisation is capable of managing constraints that affect the flow of resources depends on the following:

a) The extent to which (when viewed as a dyadic relationship) Organisation *i* is dependent on Organisation *j* for the supply of critical resources, and the extent to which Organisation *j* is dependent on Organisation *i* for the supply of critical resources. If Organisation *i* is more dependent on Organisation *j*, than *j* is on organisation *i*, a power imbalance will occur. Organisation *i* will not be in a position of power to deal effectively with the constraints imposed by Organisation *j,* should Organisation *j* decide to limit or curtail the flow of critical resources for

Organisation *i's* survival or fulfilment of its organisational purpose. The opposite is true for Organisation *j* in relation to Organisation *i*.

The above illustration is based on dyadic relationships, which are considered building blocks of networks (Provan, Fish, & Sydow, 2007:483). However, dyadic-based research is limiting since networks happen most of the time in a multiorganisational environment (Provan, *et al*., 2007:483).

b) If Organisation *i* is dependent entirely or to a great extent on Organisation *j* for the supply of critical resources, and there is very limited or no alternative sources or providers of such critical resources, and Organisation *j* is able to source from alternative providers the critical resources for which it is currently dependent on Organisation *i*, the capacity of Organisation *i* to deal with constraints imposed by Organisation *j* will be further diminished. The opposite is true for Organisation *j* in relation to Organisation *i*.

3. Reciprocity: Interorganisational relationships might be established with the purpose of collaboration, co-ordination and co-operation as opposed to domination and control. Such mutual exchanges recognises that the benefits of establishing and maintaining relationships outweigh the disadvantages, some of which might involve transaction costs of maintaining the relationships as well as temporary loss of autonomy. Rodriguez *et al*. (2007:157) are of the view that these kind of relationships (which they refer to as clan-based governance mechanisms) symbolises maturity in that they do not simply rely on regulatory mechanisms as in bureaucratic or hierarchical mechanisms, neither do they work on the basis of institutions manipulating interests or extracting benefits from the relationship as in market-based mechanisms, but are based on the "existence of shared values and beliefs to enhance coordination".

4. Efficiency: Interorganisational relationships can develop due to the need to improve internal efficiency in terms of input-output relationships. An example could be the need to reduce the costs of certain transactions. Transaction costs can, for example, be reduced where relationships based on trust have been established, thus obviating the need for establishing and maintaining formally structured relationships (Isett & Provan, 2005:150). However, a trade-off needs to be made between the pursuit of administrative efficiency in network governance such as the increased ability to meet multiple client needs with fewer resources (i.e. when insufficient resources of an organisation are leveraged to achieve more) and the need for involvement in the inclusive decision-

making processes of the network structure, given the fact that the more organisational representatives participate in the decision-making process of the network, the more time-consuming and resource-intensive a process it becomes (Bovaird, 2005:223; Provan & Kennis, 2007:242). Burnout has been cited as one of the symptoms of waning levels of enthusiasm that can be observed as the activities and frustrations of the network begin to take their toll on the energies and resources on a sub-set of network participants (Weiner & Alexander in Provan & Kennis, 2007:242), with the result that they begin to participate less in the activities of the network, thus inadvertently giving more control of network activities to a few or even one organisation (i.e. greater centralisation of governance) thus reducing overall network effectiveness (Provan & Kennis, 2007:242).

5. Stability: Organisations operate in a dynamic and unstable environment whereby future flows of resources cannot be ascertained in a predictable manner. In order to manage this potential source of instability and guarantee flows of resources in future, organisations enter into interorganisational relations. Bozeman, Galaskiewicz & Muller (in Isett & Provan, 2005:151) are of the view that public service organisations experience much more turbulence than private sector ones due to ever-changing funding priorities, appointment of new administrators, and alterations to existing contracts as a result of election cycles, a situation that disrupts their operations and thus creates a need for them to maintain stable partnerships and interorganisational relationships "…that are likely to go beyond what one might witness in most business settings".

Networks have been characterised as being flexible in comparison with hierarchy based mechanisms of policy administration, by members being able to work with one another quickly and efficiently, and exchange resources and expertise to implement projects that would not have been possible to achieve through the bureaucratic, hierarchical mechanisms (Kapucu & Van Wart in Provan & Kennis, 2007:244). Stability is also essential for:

- building consistent long-term relationships among network members, which include understanding each other's strengths and weaknesses; and
- efficient network management over time, thus the need to get a balance between network flexibility and stability (Provan & Kennis, 2007:245).

6. Legitimacy: Organisations sometimes establish interorganisational relationships because of their symbolic nature. Such symbolic postures could be assumed as a way of

seeking legitimacy and acceptance from external constituents, by behaving in a manner that shows that they are in agreement with their norms, rules and expectations. For example, some public organisations that are involved in the administration of the LRAD programme, may take specific administrative actions, e.g. availing human resources, which are construed as being supportive of the goals and objectives of the programme, when in reality this participation is merely symbolic, serving mainly to extract from national government resources that are for the benefit of such organisations, and not supportive towards the joint administration of the programme. Such symbolic postures add value only to the organisation that has adopted such postures, by way of ensuring its continued existence, as well as flow of resources.

For networks to be effective, participants in a network environment must come to accept that interactions among them and co-ordinated efforts are legitimate ways of conducting business, and a network itself must gain external legitimacy as a representative decision-making entity and not simply a group of organisations that come together to discuss common concerns (Provan & Kennis, 2007:243). The challenge in making networks effective is therefore to balance the internal legitimacy needs of participant organisations to function as independent decision-making entities, with the external legitimacy needs of the network as a decision-making structure (Provan & Kennis, 2007:244). In the context of the LRAD programme, the basic structure of the network, as well as its authority to co-ordinate the administration of LRAD programme applications, has been legitimised in the policy framework of the Government. This network is thus not just a meeting of a group of organisations, which came together to discuss the administration of land reform programmes, but a properly constituted decision-making structure, which must be recognised as such.

The above examples do not represent the exhaustive list of possible scenarios pertaining to the issue of power relations between organisations. A number of permutations can yield different scenarios in terms of the power differentials between exchanging organisations. The above discussion is important in examining the power relationships that can happen when government departments are jointly responsible for administering public policies. The discussion will also assist in getting insight into how and why organisations co-operate with each other or not, when viewed from a resource exchange point of view. The issue of managing the inflow and outflow of resources is

critical to building administrative capacity within public institutions, which in turn has an influence on implementation effectiveness (Brynard, 2005:661). Public institutions are dependent on the inflow of financial resources, as appropriated by the legislature, for them to function effectively. They are also dependent on the inflow of other resources (e.g. human resources as well as information resources) from other public institutions, for programmes that are administered jointly. Financial resources must not only be adequate to support effective administration of the organisation, but also to support other programmes of government for which the organisation is responsible for their joint administration. Since the LRAD programme is administered jointly by a number of organisations, public institutions with weak administrative capacity may not effectively support the administration of the programme.

Institutional theory emphasises that organisations have choices to make, which is to either not take any action (non-choice action) or to take action. Non-choice action is manifested by conformity and institutionalised habits, social obligation and conventional behaviour, which are derived from beliefs, practices and conventions, which have been externally validated and taken for granted as the only way/s or obvious way of conducting an organisational activity (Berger, Luckman & Scott, 1987:495). Organisations can take action (consciously or not) that conforms to the norms, values, expectations and socially accepted forms of behaviour as imposed and legitimised by the external institutional environment (the state, professions, interest groups and public opinion in general) upon organisations sharing a similar institutional environment, an example of which could be government departments (Meyer & Rowan in Scott, 1987:496; Oliver, 1991:148). This results in the reproduction or imitation of organisational structures, routinisation of certain activities and standardisation of practices (Zucker in Scott, 1987:496-497; Oliver, 1991:149). The effective administration of the LRAD programme could, for example, be hampered by institutionalised habits and conventional behaviours, which are accepted and taken for granted by administrators, and externally legitimised by political office-bearers and the society they represent, as the only way of conducting the affairs of the Government.

The institutional theory perspective suggests that the external locus of power lies with those who shape and enforce institutional rules and beliefs (i.e. organisations are perceived as powerless to influence the institutional environment), hence the motive for

organisations is to achieve legitimacy (socially and politically accepted as worthy) and stability (e.g. survival as well as flow of future resources) by conforming to the dictates of enforcers of institutional rules (Oliver, 1991:149). *Institutionalisation* infuses an organisation with value in the form of orderly and stable actions, which are critical for the continued survival of the organisation (Selznick, 1996:271). Cognisance must be taken of the fact that, in the context of government institutions, the power to shape and enforce institutional rules as well as control resources could be located in one source; as such the discussion of the typology will attempt to incorporate this specific context.

Oliver (1991:151) is of the opinion that the divergent views between the two theories as discussed above can be reconciled. The reconciliation of views can come about if institutional theorists recognise the fact that institutions are not as passive as they portray them to be, but are active agents who can adopt different strategic postures in relation to pressures from the institutional environment. As Scott (2008:437) notes, institutionalised systems can undergo change such as exogenous change occasioned by disruptions in the neighbouring macro-political, economic or social systems, which for so long have been the source of rules and norms that have been legitimising the existence of the institution in its current form.

3.6.6 The structure and performance of policy administration networks

Community and government organisations can, if they work together, leverage their own resources and expertise by drawing from other organisations in the network, thus resulting in much more effectiveness in the delivery of services (Chisholm, Provan & Milward in Provan, Veazie, Staten & Teufel-Shone, 2005:603). In spite of the advantages of multiorganisational networks, these are difficult to establish let alone sustain (Wandersman, Goodman & Butterfoss, Weiner & Alexander in Provan *et al*., 2005:604).

Some of the problems cited with respect to establishing and sustaining networks are:

- inadequate financial support, coupled with the requirement to spend scarce resources, which are critical for sustaining the activities of the organisation (Shermerhorn, 1975:850);
- perceptions of erosion of managerial or decision-making autonomy (Shermerhorn, 1975:849);
- conflicting stakeholder interests; and
- corrosion of organisational identity and strategic role and position (Shermerhorn, 1975:849).

According to Berry *et al*. (2004:546), the developing literature on public management networks discusses two broad questions, namely:

- How the structure of networks (e.g. questions of network density, as well as network actor centrality in relation to other network partners) affects effective delivery of services. *Density,* which has attributes of high and low density, is a term used in social network analysis to describe the extent to which network members are interconnected, and is considered as the ratio of the number of ties that exist between members of a network in relation to the number of ties that are possible within a network should all members be connected to one another (Huang & Provan, 2006:442; Rowley, 1997:896). *Centrality* refers to the position of an actor within a network in relation to others, and which position has the potential to assign the actor the positional status of being more or less powerful in relation to other actors (Rowley, 1997:898). According to Rowley (1997:898-899), centrality has three components, namely:

  o Degree centrality, which is the measure of the number of ties a network actor has with others within the network (Huang & Provan, 2006:441). It is assumed that the more ties a network actor has, the more access he has to alternative sources of information and resources. According to the resource dependence theory as discussed above, the ability of an organisation to have alternative sources of resources is critical not only for internal stability, but also for it to support the administration of programmes for which it is jointly responsible and/or accountable.

- Closeness centrality, which measures the extent to which a network actor can access independently all the network actors with whom he/she has ties, i.e. the ability to access other network actors through the least number of intermediaries. It is assumed that a network actor with a high network centrality, i.e. with the least number of intermediaries, is less dependent on others to secure critical resources, and is also able to communicate information quickly thus influencing the network. An organisation, that is jointly administering the LRAD programme, will be constrained if it has to rely on an intermediary to secure from its source, critical resources on which it is dependent. Where an organisation does not have to rely on intermediaries for the supply of critical resources, as well as for communication of information to network members, such an organisation will be in a much more powerful position to influence the activities of the network co-ordinating the administration of the LRAD programme.

- Betweenness centrality, which measures the extent to which a network actor serves as an intermediary between pairs of other network actors. It is assumed that network actors with a high network centrality (serving as an intermediary for a great number of network pairs) enjoy positional advantage since other actors must go through it to communicate information or exchange resources. Such actors are capable of influencing the behaviour of other network actors, thus impacting on the extent of achievement of outputs and outcomes by the network co-ordinating the administration of the LRAD programme.

Multiplexity measures the strength of the relationship an organisation establishes and maintains with other organisations in a network (Provan, Fish & Sydow, 2007:484), and is a measure of trust (Isset Provan, 2005:158). This is determined by measuring the number and types of links, e.g. service delivery programmes, research programmes, client referrals and shared personnel an organisation has with other organisations within a network (Provan *et al*., 2007:484). An organisation that has multiple links with another organisation can sustain ties with that organisation even when one of the links gets broken (Provan, *et al*., 2007:484). In the context of the LRAD programme, the DACE and NWPLRO can, on the basis of the multiple links they have for example managed to

establish, sustain the administration of the LRAD programme even when one of the links has been severed.

In conducting network analysis, some concepts are critical for data collection and measurement. Only those concepts that are relevant to this research are mentioned below:

- Network bounding has to do with a decision on which organisations should be included in the network for data collection (i.e. those that are bound together by collective ties) (Laumann, Mardsen & Prensky in Foster-Fishman, Salem, Allen, & Fahrbach, 2001:882; Provan *et al*., 2005:605).
- Link content, whereby organisations can have operational, technical and administrative links (Isett & Provan, 2005:155), which connect pairs of organisations together, e.g. links through resources, some of which might be shared while others may be critical to one organisation only, links through clients, shared information, funds, contractual obligations, as well as obligations emanating from legislation and joint programmes (Foster-Fisherman, *et al*., 2001:883; Provan, *et al*., 2005:605). These links can be formal, i.e. the existence of a legally binding contract or written agreement and informal, i.e. not regulated by any formal contract but happens when organisations exchange resources and support one another in the fulfilment of organisational goals and objectives (Isett & Provan, 2005:156).
- Frequency of links, which establishes whether links occur regularly or occasionally.
- Level of interaction, which establishes whether interaction takes place at the top management or operational level (inter or intraorganisationally). In conducting network analysis, the level of analysis should be considered. Shermerhorn (1975:850) provides a simplification of Merret's (in Shermeron, 1975:849) analysis by suggesting the following:
    - ○ intra-organisational level of analysis, which focuses on the characteristics or factors within an organisation that are used to determine an organisation's predisposition to co-operate with others;

- comparative level of analysis, which considers the characteristics (in terms of compatibility or divergence) of potentially co-operating organisations as a predictor of predisposition to co-operate; and
- external environmental factors, which considers the existence of factors external to the environment (e.g. those forming the institutional context unique to an individual organisation or those forming the institutional context common to both organisations) and which provide a motivational influence on organisations to co-operate.

- Trust, which establishes whether the relationships are based on formal contractual agreements, rules and regulations, or whether they are underpinned by a spirit of reciprocity and goodwill, whereby each member of the network demonstrates a sense of obligation to act in good faith and in turn expect others to do likewise (Podolny & Page 1998:60-61). It was already mentioned above that trust reduces the transaction costs of managing relationships (i.e. as trust increases, the need to manage relationships through costly formal mechanisms gets reduced) (Isett & Provan, 2005:150). However, the task environment of the public sector sometimes necessitates maintaining formal contractual relations (Fogarty in Isett & Provan, 2005:151) even when the level of trust has increased because of the following reasons:
  - it may be a requirement to do so (statutory or in terms of instructions from a higher level in the hierarchy), especially where public financial resources are to be spent;
  - there may be an expectation that government institutions would develop formal contracts to govern their relationships with other organisations, due to the highly regulatory nature by which government is administered;
  - it may be a requirement for the purpose of maintaining certain minimum standards of service delivery, and to ensure that there is equal treatment of citizens in terms of service delivery;
  - to avoid a situation in which familiarity breeds contempt, whereby relationships based on friendship could result in a drop of service standards over time; and
  - to ensure that clients with multiple needs can obtain the full range of services especially where the basket of services required goes beyond the capacity of one institution to provide (Isett & Provan, 2005:157).

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Provan and Kenis (in Provan *et al.*, 2007:504) identify a typology of mechanisms that can be used to govern networks as follows:

- Shared or self governance, which is about managing "self organizing, inter-organizational networks" (Rhodes in Kickert *et al.*, 1997:xi) which have the following characteristics:
  - interdependence between network organisations in terms of resources, expertise, authority and information;
  - continuing interaction between network organisations brought about by the need to exchange resources and negotiate goals and means of attaining them;
  - game-like interactions regulated by negotiated and agreed rules of the game and based on trust;
  - interaction not being subject to any foreign authority;
  - being self-regulating and autonomous;
  - organisations constituting a network make strategic and operational decisions in terms of how the network should operate;
  - there is no formal structure governing the interactions among members; and
  - the activities of the network as well as the monitoring thereof take place through formal meetings as well as ongoing interactions and collaborations among network members.
- Lead organisations, whereby in a goal-directed network, which is common within the public service and is characterised by organisations constituting the network sharing a common purpose and understanding the need to work together to achieve multiorganisational objectives of government (Provan & Kennis, 2007:231), one organisation amongst them:
  - enjoys more positional power in relation to others within the network,
  - has more resources;
  - enjoys legitimacy to play a lead role;

- co-ordinates decision-making within the network, irrespective of whether network members may be interacting independently between themselves; and
- assumes responsibility for maintaining internal relationships within the network as well as developing new external relationships.

The concept of a *lead organisation* has much resonance to programmes of government such as the LRAD programme. A lead organisation is identified, and given the legitimacy and authority to make specific decisions, as well as manage and account for the resources that have been allocated for the administration of the programme. However, in spite of lead organisations being identified and legitimised to lead the administration of the LRAD programme, some organisations can dominate the network, thus influencing how the structure, power relations and performance of the network evolve over time (Fried *et al.* in Provan *et al.*, 2007:506). These may not be official lead organisations as legitimised by government, but may dominate as a result of having ample resources or due to contextual factors such as geographical proximity (Fried *et al.* in Provan *et al.*, 2007:506).

- Network administration organisation (NAO), whereby the activities of the network are governed by an external organisation (even an individual) that is not part of the network. The role of the external organisation (or individual) might be to oversee the activities of the network, or render support for the effective performance of the network (Provan *et al.*, 2007:506).

2. Actions of network managers and how they affect networks and their performance.

McGuire (2002:601-607) and Agranoff and McGuire (in Berry *et al.*, 2004:546) suggest four tasks that a network manager need to perform in order to establish and maintain the activities of a network, namely:

- to identify potential and necessary participants and to make them interested in participating in the activities of the network, a task which also

involves getting resources for the network to get started and becoming functional;

- to develop a framework of rules and values that will inform the context under which participation will take place;
- to mobilise participants towards a common and holistic purpose, as well as strategies for achieving the end; and
- to facilitate effective and sustained interaction among participants with a view of achieving a common purpose.

It could thus be argued that the network responsible for the administration of the LRAD programme is not self-implementing. For the network to function, and for effective administration of the programme to take place, administrators of public institutions legitimised as lead organisations, must undertake the above-mentioned activities.

3.7 FINANCING THE ADMINISTRATION OF GOVERNMENT POLICY

A government pursues a number of policies and programmes to satisfy the diverse needs of the citizens, as well as fulfil international obligations. The policies and programmes that a government undertake have direct and indirect financial implications and have to be funded (Botes *et al*., 1992:314). The funds required to implement government policies and programmes are derived from the public (Cloete, 1994:145) as such government receives and keeps public funds *temporarily* in *trust* until it has been satisfactorily allocated to satisfy identified needs, demands and desires (Botes *et al*., 1992:314-315). In democratic states, for government to have the authority to collect revenue required to run its services, the elected representatives must develop and adopt a financial policy, which grants the state powers and provides mechanisms to collect, distribute, utilise and account for the utilisation of funds (Cloete, 1994:145; Fourie, 2007:733). The constitution of a country forms the cornerstone upon which a financial policy can be built and anchored (Cloete, 1994:145).

In democratic states, an annual budget is an expression of the popular will of the electorate, as interpreted by political office-bearers, and is presented to elected representatives in the legislature for consideration and approval (Willoughby in Shafritz & Hyde, 1992:25-26).

The annual budget serves the following purposes:

- it is an important public policy document spelling out the priorities of government with regard to the administration of the land reform policy, as well as the source of funds (Fourie, 2007:734; Thornhill in Hanekom & Thornhill, 1995:122);

- it spells out what government aims to achieve with the different land reform programmes it allocates money to (Botes *et al*., 1992:142);

- it outlines the work programmes of the DOA, the DLA, the NWPLRO and the DACE with regard to the administration of the LRAD programme (Cloete, 1994:146; Botes *et al*., 1992:142);

- it is an instrument for stimulating the economy in the agriculture and other sectors, through, for example the land purchase and post-settlement grants, (Botes *et al*., 1992:142); and

- it is a control instrument used by accounting officers as well as those entrusted with oversight responsibilities, in ensuring that expenditure is aligned towards supporting the administration of the LRAD programme (Fourie, 2007:734; Thornhill in Hanekom & Thornhill, 1995:123).

3.8 STAFFING PUBLIC INSTITUTIONS

The function of staffing public organisations involves firstly the provision of personnel and secondly getting staff to perform their duties (Cloete, 1994:165). *Human resource management* is an umbrella term that broadly refers to functions that involve attracting suitable skills to the organisation, development of staff, motivation of staff and staff retention (Jackson, 1995:238). According to Jackson (1995:238), *human resource management* encompasses the following:

- practices for human resource recruitment, selection and appraisal;

- formal human resource policies, which enable or constrain human resource practices; and

- the overarching philosophies as manifested by the existence of specific values guiding human resource management in an organisation or set of organisations.

In the public sector, the staffing function is performed in a regulated environment guided by the following imperatives:

- Over-arching policy governing the public service: The legislature pronounces on the overarching values guiding society in general, including those guiding public administration in particular as outlined in Section 195 of the Constitution, 1996. These values serve as the foundation for the human resource management and development legislation, as well as other policies governing employment conditions in the public service, which outline the rights, privileges and obligations of public servants (Botes *et al.*, 1992:323). Government policies and programmes are not self-administering, but are administered by public servants. The effective administration of government programmes depends on the conditions created by these overarching policies on the acquisition and utilisation of human resources, but also on the individual attributes of managers.
- Organising: The function of organising public service organisations is formally delegated by the legislature to political office-bearers heading executive institutions (Cloete, 1994:169). Organising not only entails the creation and adoption of an organisational structure, but also the continual review of the organisational structure to ensure that:
  - o it fits in with the purpose of the organisation, which may be reviewed from time to time to do away with old functions or create as well as add new functions;
  - o new posts are created; and
  - o dysfunctional posts are abolished.

With the coming in of new political administrations, new programmes may be introduced, or old ones modified to deal with new mandates. For new or modified programmes to be administered effectively, the organisational structures of implementing institutions must be adapted to fit the new purpose. Depending on a country-specific situation, the organising function can be carried out as follows:
  - o where political office-bearers would on the recommendation of the administrative executive, approve an organisational structure suitable for carrying out line functions; and

- o where, after consultation with the public service commission, the political office bearer would approve an organisational structure (Cloete, 1994:169-171).

- Finance: Given the fact that personnel expenditure usually constitute the largest portion of the overall budget expenditure (Botes *et al*., 1992:324), measures must be put in place to ensure that the staffing function is performed efficiently and effectively (Cloete, 1994:172). Government departments are not always allocated the funds they have requested, hence the need to efficiently and effectively manage personnel, to achieve more outputs with the limited resources.

- Procedures and personnel methods: Personnel procedures are prescribed in terms of the law to ensure that decisions relating to personnel management are not *ultra vires* and arbitrary (Botes *et al*., 1992:324). Procedures promote uniform human resource practices through which public service managers can achieve effective administration of government programmes.

- Control: The legislature puts measures in place to ensure that those delegated with the functions of staffing the public service, account for what has been done with the delegated functions, and are able to demonstrate that personnel have been managed well in terms of the efficient and effective administration of government programmes (Cloete, 1994:174).

Human resource management may be understood in terms of the following broad but overlapping domains (Jackson, 1995: 239-243).

General systems theory: Organisations are perceived as open systems, which are dependent on the external environment for inputs, which inputs are then converted into outputs, which may serve as inputs for other organisations. The function of human resource management is to acquire the necessary skills (inputs) in the labour market, and convert or align (throughput) their behaviours to the expectations of the organisation such that their performance would result in the production of the desired outputs.

Role behaviour perspective: This perspective views organisations as social systems where individuals have multiple role behaviours. *Role behaviours* are defined as "the recurring actions of an individual, appropriately interrelated with

the repetitive activities of others so as to yield a predictable outcome" (Katz & Kahn in Jackson, 1995:239). The function of human resource management is to:

- take note of the role behaviours expected by the organisation, which are influenced by the institutional context impacting on the organisation;
- communicate these expectations widely;
- measure performance against the identified expectations; and
- support behaviour that meets the expectations of other role partners (e.g. managers, peers and clients).

In the context of public organisations' behaviours, an example is communication, referring to observable activities conducted with the purpose of linking related tasks (Van Wart, 2005:22). The quality of behaviour displayed is influenced by the repertoire of traits and skills that a person has (Van Wart, 2005:22).

The following are some of the behaviours expected of managers and leaders (Van Wart, 2005: 157-271).

- task-oriented behaviours, which involve monitoring and assessing work, operations planning, clarifying roles and objectives, informing, delegating, problem-solving and managing technical innovation and creativity;
- people-oriented behaviours, which involve consulting, planning and organising personnel, developing staff, motivating, building and managing teams, managing conflict and managing personnel change; and
- organisational-oriented behaviours, which involve scanning the environment, strategic planning, articulating the mission and vision, networking and partnering, performing general management functions, decision-making and managing organisational change.

The New Public Management approach, for example, defines the role that administrative leaders of public institutions should play in the implementation of government programmes. The movement focuses on the role and survival tactics of political appointees heading government institutions (Kettl in Rosenbloom *et al*., 1994:42). Their roles are perceived to be:

- the development of strategies for the efficient and effective achievement of their institutional programmes;

- building political support internally and externally for the strategic directions they intend to take; and

- ensuring that their institutions have the necessary capacity to function (Kettl in Rosenbloom *et al.*, 1994:42).

In line with the New Public Management approach, the management of institutions administering the LRAD programme has to ensure that strategies are put in place for the achievement of the land redistribution goals and objectives as agreed to by the political principals.

The strategic direction adopted by management involves a constant process of adapting the organisation to its task environment, characterised by:

- political constraints, which influence the type and amount of resources available to the LRAD programme, as government priorities change;

- constraints imposed by the behaviour of public officials, which may not be supportive of the effective administration of the programme; and

- cognitive as well as personality constraints of the head of the institution (Kettl in Rosenbloom *et al.*, 1994:42).

Institutional theory: Organisations are viewed as social entities participating in and depending on the social system for their legitimate existence and continued survival. Organisations adopt survival strategies by seeking and securing legitimacy (i.e. social approval of their activities) from multiple stakeholders (e.g. government with respect to laws and resources, professional bodies and other organisations operating within the same policy domain) who control needed resources.

The result is the institutionalisation over time of certain practices and behaviours (i.e. due to conscious or unconscious conformity to the expectations of external stakeholders). Human resource management can be viewed in terms of:

- practices which, when viewed in historical terms, have over time become institutionalised, and assumed as acceptable form of behaviour from the point of view of the expectations of external stakeholders; and

- practices which have been accepted as the norm by other organisations within the same institutional context, and have been copied into the organisation irrespective of whether they have much utility for the organisation concerned.

Some of the human resource practices finding expression within government institutions responsible for the administration of the LRAD programme may have been institutionalised as described above. However, they may be of limited utility in terms of promoting the effective administration of the programme.

Resource dependence theory: Organisations are viewed as social entities that interact with other organisations in order to secure supply of critical human resources. Organisations involved in administering the LRAD programme have to secure the supply of human resources (i.e. skills) which they are in short supply of individually and collectively (as a network), in order to ensure achievement of the goals and objectives of the programme.

Those organisations that are in control of critical resources (e.g. skills which may not be easily accessible elsewhere in the job market), enjoy asymmetrical positional power in relation to those that do not. Human resource management activities and processes thus involve managing this delicate asymmetrical power relationship, by building the required human resource capacity, with the ultimate aim of reducing the vulnerability of the resource-dependent organisation and ensuring effective administration of a government programme.

3.9 WORK METHODS AND PROCEDURES

It has been mentioned above that administration is a goal-directed undertaking, which requires the co-ordination of efforts between two or more people. Work procedures are "ways in which officials carry out work in order to give legality and legitimacy to government actions" (Botes *et al*., 1992:331). For work procedures to assume the status of legality and legitimacy, they must be reduced to writing and made known to those who have to implement them as well as those affected by them (Botes *et al*., 1992:332).

The activities of officials administering the LRAD programme should be guided by written procedures, which will ensure the following:

- that the actions of public officials administering the programme are legal and legitimate;
- that all applicants get equal treatment;
- that the activities of organisations administering the programme are co-ordinated towards achievement of the common land redistribution goal of the Government;
- effective performance management of employees administering the programme;
- effective training and development of staff; and
- effective control and accountability (Botes *et al*., 1992:332; Cloete, 1994:194-195).

Written work procedures have their shortcomings in that:

- by pre-empting the behaviour that public servants should take according to predetermined set of scenarios, they attempt to reduce public officials' behaviour to that of robots (Cloete, 1994:195);
- public officials are confronted by situations that are different from those anticipated by policy-makers and those anticipated by written procedure manuals, as such, flexibility is required; and
- by being developed in a rigid and inflexible manner, work procedures can promote the red tape in government organisations whereby public officials would devote loyalty to them rather than perceiving them for their instrumental value, namely to enable the achievement of organisational goals (Cloete, 1994:195).

3.10 PUBLIC ACCOUNTABILITY, CONTROL AND POLICY EVALUATION

In modern democratic civilisations, public functionaries are required to account for every action which they perform pertaining to the execution of their official duties (Cloete, 1994:210). Public accountability cannot be effected properly unless relevant and timely information is made available (Cameron, 2004:59). Hupe and Hill (2007:286) are of the view that the concept *public accountability* can assume different manifestations, and to understand the forms through which public accountability takes place, the environmental context under which lower level public officials implement government programmes

should be understood. The environmental context is influenced by the nature of the governance regime as either manifested by:

- a hierarchal, authority based arrangement;
- a network arrangement, as well as
- professional requirements (Hupe & Hill, 2007:288).

Hupe and Hill (2007:288) identify three variants of public accountability. *Public administrative accountability* distinguishes between three sub-types of administrative accountability, which all share a vertical orientation in terms of accountability. *Political accountability* refers to accountability to political organs of representative democracy. Willoughby (in Shafritz & Hyde, 1992:34) is of the opinion that if administrators are to be given greater discretion in terms of deciding on the methods to be used to implement the will of the state, the legislature must demand accountability on those given such discretionary powers. According to Willoughby (in Shafritz & Hyde, 1992:34), this would ensure the correlation between legislative and administrative action.

Legal accountability or *organisational accountability*, which is derived from implementation of rules and regulations, refers to accountability to supervisors for the performance of duties. *Managerial accountability* is referred to by exponents of The New Public Management approach as the development and use of managerial tools such as performance indicators to hold public officials accountable.

Professional accountability refers to a situation where professionals are held to account or hold others accountable for the performance of their duties, as measured by the standards and expectations of the profession. This form of accountability can happen vertically, where the profession has a system of rules, norms, standards and procedures for enforcing accountability, or the manager assumes both roles of supervisor and professional.

Professional accountability can also happen horizontally where members of a particular profession (peers) hold each other to account by making professional judgements on each other's work. Horizontal accountability can also happen where members of different professions or professional organisations co-operate in co-production of an output, where the quality and quantity of the final outcome are determined by the

collective inputs of members, and co-operating members hold each other to account by passing judgements on the quality of each individual/organisation's contribution to the achievement of shared outcomes.

According to Hill (in Hupe & Hill, 2007:295), a *policy system* involves "a nested sequence of decisions about structure, financing and about the management of outputs for which different actors may be accountable, perhaps in different ways". The point therefore is that the different accountability measures are all relevant, but their relevance and importance differ according to the environmental context for which they must be applied (Hupe & Hill, 2007:295). The choice and application of one type of accountability measure or combination thereof, is a value-laden exercise that is informed more by practical considerations as defined by the environmental context rather than political ideology (Hupe & Hill, 2007:295). The criteria by which public officials are held accountable differ from country to country. In the South African context, the Constitution, 1996, prescribes that members of the Cabinet are collectively and individually accountable to Parliament. The norms and values that inform public service accountability in South Africa have been described in Section 195 of the Constitution, 1996. These include traditional norms and values such as equality, impartiality, administrative justice and the general welfare.

South Africa and a number of other countries have introduced administrative reforms popularly described as New Public Management, promoting and giving more prominence to the economic values of efficiency, effectiveness and economy (Haque, 2000:601). In addition to traditional norms and values guiding public accountability, Section 195 of the Constitution, 1996, also prescribes the economic values of efficiency, effectiveness and economy.

The discussion that follows pertaining to control and policy evaluation will be confined to the understanding of accountability as political, legal and managerial. In this context, the legislature is put at the centre of the activities that government functionaries perform. The legislature represents the views of the electorate in terms of the needs, demands and problems that must be solved at a given time, as well as the structure of government institutions required to deal with these issues. It legislates in order to put in place policies and programmes, establish government institutions, as well as allocate funds. The

legislature also plays an oversight role on behalf of citizens to ensure that the needs and demands of the citizens receive attention, and that those who have been given the delegated authority have used their powers and the allocated resources to promote the general welfare of society as defined by the legislature (Van der Nest, Thornhill & De Jager, 2008:547).

Control is an administrative function executed with the purpose of ensuring that those who have been delegated authority by the legislature to implement policies of government broadly and the LRAD programme in particular, use their powers to advance the general welfare of the beneficiaries of these policies and programmes (Cloete, 1994:205). They are also expected to achieve the goals and objectives of the LRAD programme effectively and efficiently (Fourie, 2007:733). According to Schutte (in Fourie, 2007:733) the control function can be subdivided into four stages, which in the context of the LRAD programme entail the following:

- the setting of performance standards in the form of area of agricultural land to be redistributed;
- the recording, measurement and reporting of activities undertaken by officials administering the programme;
- the evaluation of performance to identify deviations from standards; and
- the implementation of measures to correct deviations from the set performance standards.

The following parameters can be used for exercising control (Thornhill in Hanekom & Thornhill, 1995:228-229).

- Goals: In the narrow sense of individual organisations, a goal is essential for measuring the overall effectiveness of public service organisations. However, in the broader sense of understanding different levels of policy, a goal (derived from the political policy of the ruling party) provides the broad policy direction, which serves to orientate the activities of government (Thornhill in Hanekom & Thornhill, 1995:229).
- Sub-goals: For the political policy of the ruling party to have the desired effect on society, it must be transformed by the elected representatives serving in the executive structure of government (i.e. cabinet) into the executive policy or policy

of the government of the day. The executive policy can take the form of legislation or programmes (Botes *et al*., 1992:311). Legislation contains specific but less detailed guidelines, which serve as a framework authorising and prohibiting different types of actions to be undertaken by appointed public officials, thus the need to develop detailed and implementable guidelines to give effect to government policy (Thornhill in Hanekom & Thornhill, 1995:229).

- Programmes: a programme provides detailed guidelines for implementation of government policy by managers (Botes *et al*., 1992:311). It outlines key results (outputs) to be achieved, the administrative means for achieving the results, specific and much more detailed actions to be undertaken by managers, and can thus serve as a parameter to exercise control in terms of achievement of policy goals (Thornhill in Hanekom & Thornhill, 1995:229).

Policy evaluation "assesses the effectiveness of a public policy in terms of its perceived intentions and results" (Gerston in Howlett & Ramesh, 2003:207). The entire policy may be perceived to be a failure, or a specific programme within a policy regime may fail (Mucciaroni in Howlett & Ramesh, 2003:208). Both the policy and a programme can fail in substantive terms by not delivering the expected results, or in procedural terms as perceived in terms of being legitimate or illegitimate, fair or unfair, just or unjust (Bovens & Hart, Hood, McGraw and Weaver in Howlett & Ramesh, 2003:208). Through the application of appreciative inquiry in evaluation, research information can be generated about the positive effects of a programme, which information can be used as a building block for future interventions (Cloete, 2006:689).

Policy evaluation research may be undertaken to assist in the improvement of an existing programme (Ross, Freeman & Lipsey in Cloete, 2006:683). This view is consistent with the understanding by Mucciaroni (in Howlett & Ramesh, 2003:208) and Bovens and Hart, Hood, McGraw and Weaver (in Howlett & Ramesh, 2003:208) as described above. There is also a danger that information generated during policy evaluation may not result in programme improvement as a result of it being used selectively by political office-bearers, especially if it is not in line with certain political priorities or ideologies (Kogan in Sanderson, 2002:5).

Policy evaluation research provides information in terms of which problems and needs of society require government intervention (Sanderson, 2002:4). It also enables insight to be gained into the effects of a programme or policy (Ross, Freeman & Lipsey in Cloete, 2006:683). This view is consistent with the definition provided above by Gerston (in Howlett & Ramesh, 2003:207). Evidence generated in this regard would enable decision-makers to:

- test the cause and effect assumptions made in terms of the policy;
- determine how a policy achieves change under a different set of conditions within a social system; and
- make appropriate policy choices (Sanderson, 2002:5-6).

Information can also be generated on how a government programme can be structured and administered (Ross, Freeman & Lipsey in Cloete, 2006:683). Formative evaluation provides information in terms of whether the different components of a programme are designed in such a way as to facilitate the achievement of programme objectives (Cloete, 2006:685).

Policy evaluation research generates information that enables administrators and analysts to respond to political pressures (Ross, Freeman & Lipsey in Cloete, 2006:683). Political pressure could, for example, arise when political office-bearers demand evidence in terms of whether policies produce the desired results, or demand evidence of information to indicate which policies can work better in terms of bringing about change in a social system (Sanderson, 2002:4). The pressure to produce policy-linked results enhances political accountability. However, research cannot provide adequate information that foretells which policies would work best under different circumstances to bring about change (Sanderson, 2002:5).

Administrative evaluation can take place in a number of forms. *Effort evaluation* is a measure of the quantity of policy or programme inputs. The New Public Management approach has contributed to the diffusion of new measures for evaluating government programmes, such as the consideration of costs and the use of performance indicators (Mollas-Gallart & Davies, 2006:76).

Performance evaluation is a measure of the outputs of a policy or programme, whereas *adequacy of performance* evaluation, also known as effectiveness evaluation, is a measure of whether a policy is achieving what it set out to achieve. *Efficiency evaluation* is a measure of the costs of a policy or programme against the output produced.

Process evaluation examines the organisational methods and work procedures used to implement a policy (Suchman in Howlett & Ramesh, 2003:211-212). This is similar to systemic evaluation which Arnold (in Mollas-Gallart & Davies, 2006:72-73) argues would resolve institutional conditions impacting on implementation of a programme, the extent to which there is networking and connectivity within and across systems and the extent to which a system is capable of performing in terms of knowledge formation and dissemination, enhancing economic benefits and technical aspects.

3.11 CONCLUSION

Public Administration has evolved into a multidisciplinary applied field with its analytical focus firmly entrenched in the administration of government policies. As an eclectic and multidisciplinary applied social science, Public Administration would continue to remain relevant in future in dealing with the complexity of societal problems, such as the administration of government programmes. In the statement of the problem, it has been argued that public administration is instrumental in the achievement of the goals and objectives of the LRAD programme.

In the discussion of the generic approach to the study of Public Administration, it has been highlighted that a number of factors as mentioned below can have an impact on the effectiveness with which the LRAD programme is administered. The content of the programme includes the psychological processes involved when public officials make sense of the rationale for the land redistribution programme. It also includes the rationale for the choice of policy instruments, and the decisions which public officials make with regard to policy administration, in relation to their interpretation of challenges of administering government policies.

The intergovernmental context through which the programme has to be administered, creates dependence relationships among institutions administering the programme. The

dependence relationships requires the creation of network structures for policy administration, including government institutions as well as stakeholders from the private sector, and requires integration of policies, systems and procedures among institutions co-administering the programme.

The administrative capacity of institutions administering the programme requires managers to think creatively to manage the potential risk of lack of flow of resources to their respective organisations. It also has the potential of rendering public institutions administering the programme incapable of performing their functional responsibilities, as well as those which they perform collectively with other institutions.

The commitment by political office-bearers and public officials towards the programme, in terms of integration of policies, systems and procedures, is critical. Commitment is also important in terms of provision of the required resources, policy-monitoring, evaluation and accountability, and solving problems that are encountered during administration of the programme. Participation by clients and other stakeholders, in the co-production of the programme outputs, is of importance also.

Political and administrative reforms aimed at redistributing agricultural land from land owners to the landless are not unique to South Africa, but have been implemented in a number of countries, the majority of which have gone through a process of colonisation and land dispossession. Chapter 4 presents an international perspective on the rationale for, and challenges of the land and agrarian reforms, with specific reference to the case studies of Brazil and the Philippines.

CHAPTER 4

LAND REFORM APPROACHES: AN INTERNATIONAL PERSPECTIVE

4.1 INTRODUCTION

The preceding chapter dealt with literature relevant to administration of the LRAD programme. The purpose of this chapter is to give an international perspective on the approaches to land reform adopted by different countries, with special emphasis on the implementation of land redistribution policies.

It is herein acknowledged that due to historical differences between countries in terms of the socio-political background impacting on access to land and other resources, and the nature of political settlement reached, the land reform policy options faced by these countries were not similar and in the end different policy choices were arrived at. The chapter will therefore not provide a comparative analysis of countries, but use case studies of democratic states that are implementing market-led land reform on a pilot or full-scale basis.

The emphasis will be on highlighting the land reform approaches adopted by these countries, as well as draw lessons on the administrative inadequacies, with particular reference to the South African situation. The chapter will be confined to case studies from Brazil and the Philippines. South Africa, Brazil, the Philippines, and Columbia have adopted a market-led approach to land reform (El-Ghomeny in Tilley, 2007:9), with Brazil and the Philippines ranking alongside South Africa as some of the countries with the most unequal distribution of land in the world (Tilley, 2007:10,15).

4.2 THE IMPERATIVES FOR LAND REFORM

Land reform in the broad but populist sense refers to a redistributive policy instrument of government, targeted at property rights in agricultural land, and is usually undertaken and driven for political reasons (Bernstein in Ntsebeza and Hall, 2007:27; Callison, 1983:9). In another definition that satisfies market imperatives, *land reform* is also considered as the "effort to re-arrange, re-configure, or re-define existing tenure relationships to allow land to become a marketable means of production" (Hirtz,

1998:249). De Janvry (1981:384) defines a *reform* as "an institutional innovation promoted by the ruling order in an attempt to overcome economic or political contradictions without changing social relations". Though the reforms could have their origins in political pressure exerted by the oppressed or from initiatives of the dominant class, power and class relations between the two classes are usually not materially affected by the reforms (De Janvry, 1981:385). What De Janvry (1981:385) implies is that agrarian and land reforms, which are the outcome of a political process, will not necessarily result in changes in power and class relations between the land owners and landless since land owners can use the power at their disposal (e.g. derived from ownership of resources and control of the economy) to frustrate the reforms.

Land reform or the rearranging of relationships pertaining to land property rights is one of the elements of the bigger policy mix of agrarian reforms pursued by any country (Hirtz, 1998:248). The reforms in land property rights can be undertaken in order to achieve either of or a combination of the following, namely:

- to shift power in terms of ownership of resources from land owners to the landless (Tilley, 2007:2);
- to increase the popularity of government among the poor who in most cases happen to be in the majority, by reducing the power of the few over many;
- to achieve more equity and social justice in terms of ownership of the production resources (Callison, 1983:9);
- to enhance the livelihood of and security for those who work the land but do not have property rights thereof; and
- to bring about a more productive agricultural sector (Bernstein in Ntsebeza & Hall, 2007:28).

According to Deininger and Binswanger (1999:248) the current views regarding land issues have reached consensus on the following four key principles:

- owner-operated family farms are desirable both from efficiency and equity points of view, a view which formed the conceptual basis of the World Bank's Land Policy published in 1975 (Deininger & Binswanger, 1999:249);
- securing property rights to land is important as it elicits individual or group effort and investment on the land, because it provides a basis for land transactions;

- the need to have a policy and regulatory regime that promotes transfers of land for more efficient utilisation; and

- where a dualistic form of land ownership (characterised by the existence together of large and small land holdings) has been created by non-market forces (government interventions as well as dispossessions by various means), an egalitarian system of asset distribution as well as redistributive land reform should be recognised as having a positive impact on redressing the imbalance.

4.3 REDISTRIBUTIVE LAND REFORM

The history of agrarian reform extends as far back as the medieval, ancient and biblical times (Tuma, 1963:47). In the context of agricultural development, the agrarian question of capital, or alternatively, the contribution of agriculture to industrialisation, centred on firstly creating conditions for improved labour productivity in existing farm operations through a transition phase from feudalism to agrarian capitalism, and secondly how the improved productivity in the agricultural sector can be used to stimulate industrial development (Bernstein in Ntsebeza & Hall, 2007:30).

The history of land reform and the debates around it pre-date the debates around development discourse in its contemporary form as a branch of policy science confined mainly to the notion of increasing economic growth and reducing poverty (Bernstein in Ntsebeza & Hall, 2007:27). Though there are two main approaches to land redistribution, namely state-led and market-led, Feranil (in Moyo & Yeros, 2005:257) cautions against the bipolar tendency of viewing agrarian and land reforms as simply those driven purely by the state as well as those driven by markets. As Franco (2008:997-1003) has demonstrated with the Cacique field, the juridical field, and the highly fragmented social field, agrarian and land reform policies are subject to the dynamics of power struggles in society and beyond, which has the profound effect of re-examining, revising and even overturning current formal and informal arrangements (Feranil in Moyo & Yeros, 2005:257-258). However, since this research is not about the origins and merits/demerits of agrarian and land reform measures, the discussion below will only give a broad description of the two types of land redistribution, with emphasis given later on, on the implementation of market-led reforms in other countries as is the case with post-apartheid South Africa.

Land reform is about "...redistributing land ownership from large private landowners to small peasant farmers and landless agricultural workers" (Griffin, Khan and Ickowitz in Borras, 2005:92). *Land reform* also entails "...a redistribution of productive assets that would in turn result in a redistribution of income and an improvement in the living standards of the poor, particularly in terms of their food security, while not reducing aggregate output over the long term" (Liamzon, 1996:318). For land reform to be truly redistributive, it must:

- "Effect on a pre-existing agrarian structure a change in ownership of and/or control over land resources wherein such change flows strictly from the landed to the landless and land poor classes or from rich landlords to poor peasants" (Borras, 2005:92). This change includes the right to alienate land (Borras, 2005:93), less formal arrangements as in tenure reform (Putzel & Herring in Borras, 2005:93), and the "control over the nature, pace, extent and direction of surplus production and extraction, and the disposition of such farm surplus" (Borras, 2005:92).

- Landlords must not be paid "...100 per cent spot cash for 100 per cent (or higher) of the 'market value' and where the buyer shoulders 100 per cent of the land cost including the sales transaction costs" since this would constitute a simple real estate transaction, which will be unfavourable to the poor and landless (Borras, 2005:94).

- Government must make provision for post-settlement or post-transfer support in order to ensure that the ideals of food security, poverty reduction, income redistribution and sustainable production as described by Liamzon (1996:318) earlier, are achieved. In terms of Tilley's (2007:2) observation, land reform beneficiaries who do not have access to training from agricultural extension staff, markets, credit, and technology will soon find themselves in a deepened state of poverty and indebtedness, which will force them to sell their land, where in most instances the land reverts back to the landed elites.

A state-led approach is characterised by the centrist, dominant role or involvement of the state in the formulation and implementation of agrarian and land reforms (Tilley, 2007:6-7). This approach is mainly supply driven, and can involve expropriation without compensation of the land by the state, for distribution to peasant farmers (Borras,

2003:368), or compensation to landlords who have been dispossessed of their land (Ciamarra, 2003:4) an amount "between zero and somewhere below the 'market price' of the land" (Borras, 2005:93), with zero the same as expropriation without compensation. Beneficiaries of the state-led approach to land reform can either receive the land for free, or can pay government back over several years an amount "between zero and somewhere below the acquisition costs" (Borras, 2005:93), at favourable interest rates (Ciamarra, 2003:4), with zero payment the same as receiving the land for free.

Market-led agrarian reform, which has been vocally promoted by the World Bank (Lahiff, Borras & Kay, 2007:1421), involves "…beneficiaries, assisted by the community and local government, receiving a combination of grants and loans from the public and private sectors which they use to negotiate the purchase of land from willing sellers and to set up viable farms" (Ciamarra, 2003:7). Exponents of a market-led approach (Deininger & Binswanger, 1999:267; Van Zyl, Kirsten & Binswanger in Borras, 2003:371) consider the role of government as that of "…establishing a comprehensive legal, institutional and policy framework which will ensure a level playing field for all players". The model assumes a 'demand-driven' and decentralised form of implementation, where only land of willing sellers would be identified for purchase by willing buyers (Borras, 2003:371). The rationale for a market-led land redistribution is its apparent efficiency (Thwala in Rosset, Patel & Courville, 2006:67), due to its ability to draw in 'family farmers' that are assumed to have the ability to operate small farms efficiently due mainly to the availability of family labour, as well as low cost to the state (Lahiff *et al*., 2007:1423).

State-led land reform is criticised for being too expensive, requiring the creation of a large public sector, and involving complex planning and implementation within an already cumbersome bureaucracy. It is considered to have a negative effect on the administrative capacity of the state, and of promoting corruption in the sense of officials benefiting people who do not qualify (Lahiff *et al*., 2007:1422-1423).

Market-led land reform is non-confrontational and promotes a collaborative atmosphere (Deininger & Binswanger, 1999:266). Due to the fact that state-led land reform involves expropriation, this creates resistance from landlords who engage in protracted and costly

legal battles, which slow down implementation, and while the legal battles are raging uncertainty is created over whether capital and other investments should be made on the land or not (Lahiff *et al*., 2007:1422). Market-led land reform stimulates rather than undermines land markets (Deininger & Binswanger, 1999:266). State-led land reform is assumed to undermine land markets with restrictive measures such as ceilings on land size, restrictions on land rentals and sales resulting in less than equitable distribution of land (Lahiff *et al*., 2007:1421).

The key features of state- and market-led approaches to land redistribution are presented in Table 4.1.

Table 4.1: Key features of state- and market-led approaches to land redistribution

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Issue	State-led	Market-led
_____

Getting access to land		
Acquisition method	Coercive, cash-bonds payments at below market price	Voluntary, 100% cash payment based on 100% market value of land.
Beneficiaries	Supply driven, beneficiaries state selected	Demand driven, self-selected
Implementation method	Statist-centralised, transparency and accountability of a low degree	Privatised-decentralised, transparency and accountability of a high degree
Pace and nature	Protracted, politically and legally contentious	Quick, politically and legally non-contentious
Land prices	Higher	Lower
Land markets	Land reform: cause of/ aggravates land market distortions, progressive land tax and land titling programme not required	Land reform: cause and effect of land market stimulation, progressive land tax and titling programme required
Post-land transfer farm and beneficiary development		
Programme sequence, development and	Farm development plans after land redistribution. Protracted, uncertain	Farm development plans before redistribution. Quick,

extension service	and anaemic post-land transfer development, extension service statist-centralised and inefficient	certain, and dynamic post-land transfer development; extension service privatised, decentralised and efficient
Credit and investment options	Low credit supply and low investments	Increased credit and investments
Exit options	None	Ample
Financing		
Mechanism	State 'universal' subsidies, sovereign guarantee, beneficiaries pay subsidised land price, 'dole-out' mentality among beneficiaries	Flexible loan-grant mechanism, co-sharing of risks, beneficiaries shoulder full cost of land, farm development costs carried by grant
Cost of reform	High	Low

Source: Borras (2003:374)

Table 4.1 is an attempt to draw a neat distinction between state-led and market-led agrarian and land reforms, a reflection that ignores the possibility of the existence of hybrid forms of agrarian and land reforms. These are generic statements, of which, in the view of the researcher, some can be disproved if evidence based on individual, country-specific case studies can be provided, as will be done with the case study of the North West Province of South Africa.

4.4 LAND REFORM CASE STUDIES

The discussion below briefly outlines the experiences of Brazil and the Philippines with regard to implementation of the World Bank-sponsored market-led agrarian reforms. Unlike the case of democratic South Africa where market-led agrarian reforms as conceived by the World Bank were not preceded by state-led reforms, in these countries market-led agrarian reforms evolved from and still exist side by side with the state-led agrarian reforms (De Medeiros, 2007:1501; Lahiff, 2007:1577).

4.4.1 Background to land redistribution in Latin America

The history of problems regarding disparities in land ownership as well as land reforms in Latin America can be traced back to the period of colonisation, a phenomenon which brought about an unequal and exclusionary agrarian socio-economic system (Kay, 2001:742). Latin American countries were colonised by Iberian people, who displaced indigenous people from their ancestral land and in the process secured large parcels of fertile land for themselves (Kay, 2001:743). Much of the displaced peasant communities were largely confined to marginal areas. Large landed estates (latifundia, hacienda, estancia or plantations) were reserved for the colonising landlords who, as a result, established servile social relations of tenant and labourer between peasants and landlords, where forced labour and slavery were common features during the early colonial period (Kay, 2001:743; Sauer, 2006:2). Peasants were given access to some of the cultivable land or pastures of the large estates, but had to pay rent to the landlord through unpaid labour services, produce, or even money (Kay, 2001:744).

The dominance of the repressive landed estates was further given impetus by a new wave of opportunities and demand created by the export market in the second half of the nineteenth century for some of the crops produced by the estates (Kay, 2001:744). In an attempt to take advantage of the lucrative market created by the demand for export crops, the landlords engaged in further processes of dispossession by either extending the boundaries of their estates into land owned by peasants, or converting some of the independent peasants into tenants (Kay, 2001:744; Sauer, 2006:3). These and other repressive measures were met with protests from peasants, who pressed their demands for change to be brought about to solve their problems of high rents, reduction of free labour services, better wages, less onerous sharecropping arrangements, and better working conditions in general (Kay, 2001:744). However, the majority of Latin American countries have not been successful at implementing land reform programmes due to the power and influence of landed elites in the affairs of the state (De Janvry & Sadoulet, 1989:1399; Kay, 2002:1088-1091).

4.4.2 The Brazilian case

4.4.2.1 Brief history of the land problem

The land problem in Brazil can be traced back to the colonisation of Brazil by the Portuguese, whereby sesmarias (large tracts of land) were distributed by the Portuguese king in order to ensure control of the colony, as well as to ensure that enough materials for the export market were produced for the benefit of the colonial power (Dean, 1971:606-607; De Medeiros, 2007:1502). The disparities in terms of land ownership and associated power relations were carried over unchanged into the post-colonial period (De Medeiros, 2007:1502).

Political movements were pushing for agrarian reform to be treated as one of the major elements during the process of democratisation of Brazil (De Medeiros, 2007:1502). It thus came as no surprise when in 1946, the Communist Party succeeded in introducing in the constitution of Brazil a text that states inter alia that "...the use of property is subordinated to social well-being", paving the way for expropriation of property for social interests subject to a fair monetary compensation being given (De Medeiros, 2007:1502; Sauer, 2006:4). In the international arena, a project of international co-operation for development was introduced in 1948, designed to prevent what were considered economically backward countries recently liberated from their European colonisers from going the communist route in their process of national development (Veltemeyer in Moyo & Yeros, 2005:294). With the advent of the Cuban revolution in 1959 and its subsequent alignment with the Soviet Union, this project was redesigned to contain what were perceived to be peasant-inspired revolutions in many parts of the Third World (Kay, 2001:745; Veltmeyer in Moyo & Yeros, 2005:294). To that extent the United States (US) administration launched the Alliance for Progress project to bring about managed reforms in Latin America and to avoid socialist-inclined revolutionary changes (Kay, 1998:11).

Substantive state-led land reforms took place in Brazil from 1962 to 1964, not as a result of the conviction of the state and the ruling elite of the need for reforms, but as a response to mass peasant mobilisations and the associated threat of social revolution (Veltmeyer in Moyo & Yeros, 2005:290; Wolford, 2005:242). However, by the mid-1960s,

the US administration shifted agrarian policy from land redistribution as advocated earlier in the Alliance project, towards social and technological modernisation of latifúndios, with support for military dictatorships to maintain this policy change (De Janvry & Sadoulet, 1989:1399; Moyo and Yeros, 2005:22; Sauer, 2006:3).

It is against this background that these reforms were also countered by large landholders who, while advocating for technological modernisation of landholdings, were defending their rights to property (De Medeiros, 2007:1502). The conflict between the revolutionary and counterrevolutionary forces was one of the important factors that led to the military coup of 1964, which resulted in the reorganisation of the agricultural sector by modernising it with limited land redistribution and displacement of the ruling elite (Moyo & Yeros, 2005:22), as well as restricting the liberties and repressing the struggles of the landless (De Medeiros, 2007:1502). In spite of the military government having introduced the Land Statute of 1964 as a way of dealing with the cases of expropriation of privately owned land, successive military governments that followed until the year 1985, did not implement any meaningful land redistribution programmes (Mattei in Moyo & Yeros, 2005:342). The agricultural development models implemented since the 1960s had the opposite effect of concentrating land in the hands of the few (Fernandes in Moyo & Yeros, 2005:319; Sauer, 2006:3). The following section outlines the events that facilitated the introduction of conditions favourable for implementation of land reforms in Brazil, which reforms are a hybrid model characterised by parallel programmes of "state led initiatives prompted by pressure from rural social movements", and a market-led approach, which also makes provision for the state to provide beneficiaries with grants and loans (Tilley, 2007:7).

4.4.2.2 Transition to democratic government

The transition to democratic rule began in 1985, which period saw the introduction of a new constitution in 1988 with explicit commitments to agrarian reform (Mattei in Moyo & Yeros, 2005:343; Sauer, 2006:4). The 1988 Constitution also guaranteed the value concept of federalism (Mora & Varsano, 2001:3). The system of democracy entailed "...political, fiscal and administrative decentralization, along with better public services, economic growth and income redistribution" (Tilley, 2007:10; Souza, 1997:33).

In terms of intergovernmental relations, two issues, namely fiscal reform and concurrent responsibilities, were very salient in terms of regulating the relationship between the federal government, states and municipalities (Mora & Varsano, 2001:3; Souza, 1997:35). The federal Government remained responsible for the equitable distribution to states and municipalities of all national revenue raised, based on a formula agreed to by the three levels of government, to deal with vertical and horizontal disparities in resource endowment (Mora & Varsano, 2001:3; Souza, 1997:41). The bulk of the money went to the states, which had more influence in congress by virtue of the power possessed by the state governors (Souza, 1997:38,43). However, the bulk of responsibilities as defined in the Constitution were either held by the federal Government or concurrently between the federal Government and the states (Souza, 1997:43). Agriculture and agrarian organisation were concurrent functions according to the Constitution (Mora & Varsano, 2001:4; Souza, 1997:44,), and were together with industry, commerce, services, science and technology, and communication categorised as sectoral policies to which:

- the federal government contributed 58,9% towards their funding in the year 2000; whereas
- the states and municipalities contributed 33,0% and 8,1% respectively (Mora & Varsano, 2001:4).

Previously, the different governments under civilian rule introduced state-led agrarian reform to settle landless families in the land that the state had expropriated (Mattei in Moyo & Yeros, 2005:343). This reform was implemented by the National Institute of Colonisation and Agrarian Reform (INCRA). However, the expropriation process was frequently undermined as follows:

- by land owners who resorted to courts, for legal recourse to stop or reverse the expropriation order;
- in some instances land owners, whose properties lost value due to the termination of fiscal incentives and increased imports, favoured and encouraged the expropriation route because it was the best option for them to get better deals in terms of land price; and
- in rare cases land owners engaged in fraudulent transactions with INCRA officials to have them compensated for their expropriated farms at prices far higher than the prescribed norms (Alston, Libecap & Mueller, 2000:166-167).

4.4.2.3 Transition to neo-liberal macroeconomic policies

The move towards implementation of neo-liberal policies from 1990 onwards coincided with the parallel process of agrarian reforms (Wolford, 2007:559). Wolford (2007:559) is of the opinion that neo-liberalism facilitated the implementation of land reform. The conjuncture of events that facilitated land reform was a combination of:

- the creation of political space with the advent of democracy; and
- the implementation of neo-liberal policies such as privatisation of public services and withdrawal of many forms of social support which tended to cause harm to those already marginalised in the form of increased structural unemployment (Wolford, 2007: 560).

This led to the rise in activity of grassroots movements, in particular the Movimento dos Trabalhadores Rurais Sem Terra (MST or Landless Rural Workers Movement), which were able to press forward their demands for access to land and other reforms (Wolford, 2007:560). The activities of grassroots movements also involved massive land occupations (Fernandes in Moyo & Yeros, 2005:336), which process might have been given impetus by the conjuncture of events described above, as well as the structural unemployment created by the inability of industrial firms to absorb labour shed by the agricultural sector that was struggling to compete in a deregulated and globalised agro-food sector (Domingos, 2002:3).

In substantive terms, neo-liberal policies led to reduction in support for agricultural producers in terms of subsidies and other protective measures, thus exposing them to competition from the globalised agro-food market (Alston *et al*., 2000:167; Wolford, 2007:560). With the dramatic fall in inflation, it was no longer appropriate to keep unproductive land and use it as a hedge against inflation (Deer & De Medeiros in Akram-Lodhi, Borras & Kay, 2007:109). The combination of increased competition as well as declining inflation led to a significant decrease in land prices from 1994 to 1995 (Deer & De Medeiros in Akram-Lodhi *et al.,* 2007:109; Wolford, 2007:559). Land thus lost its value as a speculative asset, forcing large land holders to shed their properties to the already existing state or national agrarian reform agencies (Alston *et al*., 2000:167; Wolford, 2007:560). Land reform received much attention in the 1990s because it fitted with an existing international agenda of neo-liberal land reform as advocated by the

World Bank (Wolford, 2007:560). This factor, among others, contributed to the World Bank agreeing in 1997 to provide loan funding to the Government for the implementation of a market-led land reform project.

4.4.2.4 Market-led system of land reform

i. The introductory phase

The *market-led agrarian reform*, which Domingos (2002:4) describes as "the stimulation of sale and purchase of land at the expense of *latifundos*", was introduced as a pilot programme through the initiative of the World Bank (Mattei in Moyo & Yeros, 2005:351). The Cardoso government was the first to introduce market-led reforms through a partnership project with the World Bank called The Land Reform and Poverty Alleviation Pilot Project (Mattei in Moyo & Yeros, 2005:351). The justification by the Government for introducing the market-assisted agrarian reform was the length of time and costs for implementing state-led expropriation and redistribution programme (Domingos, 2002:4).

The pilot project target was to settle 15 000 families over a four-year period at a cost of US$ 150 million, of which US$ 90 million was funded by the World Bank in the form of a loan extended to the Brazilian government to cover the grant component (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:89; Domingos, 2002:5), with the Government providing counterpart funding of US$ 60 million (Deer & De Medeiros in Akram-Lodhi *et al*., 2007:89; Mattei in Moyo & Yeros, 2005:351). This project, alternatively known as Cedula da Terra or the Land Title, was implemented through the federal system of Brazil in five federal states, namely:

- Ceará;
- Maranhão;
- Pernambuco;
- Bahia; and
- Minas.

The Land Title project was the forerunner of another market-led agrarian reform (MLAR) project called O Banco da Terra, alternatively known as the Land Bank (Wolford, 2005:249).The programme provided agriculturists who had little or no land at all, were

earning less than $15 000 per annum and wanted to acquire land, access to agricultural land (Mattei in Moyo & Yeros, 2005:351). Potential beneficiaries were required to form associations with other interested buyers and assistance was in a form of loans of up to $40 000 and payable over 20 years, whereby the first three years of the loan were interest free (Wolford, 2004:249). The beneficiaries were also eligible for another loan for working capital, as well as a government grant to cover settlement costs (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:109).

The target beneficiaries were not to be identified or selected by Government or other agencies, and were expected to form an association with other willing buyers to negotiate land prices with willing sellers, subject to approval of the designated Government agency (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:89; Wolford, 2007:560). The conditions for approval of the purchase price were the following:

- reasonable market price based on analysis of land in a similar location and fertility; and
- potential economic use (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:89).

In addition, government agencies had to satisfy themselves that:

- the title deed is in order;
- the land could be used in a sustainable manner;
- that beneficiaries can generate profit, which obviates the need for additional investment;
- that irrigation and market infrastructure are adequate; and
- that the property can sustain the proposed number of beneficiary families (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:89).

ii. The expansion phase

The Banco da Terra (the Land Bank) was launched in 2000, when the pilot programme was getting off the ground and before it could be evaluated (Sauer, 2006:8). The World Bank immediately expressed interest to support the Land Bank programme financially, which support they demonstrated through approval of a second loan of US$ 200 million, to enable the programme to support more people (Sauer, 2006:8).

The agrarian policy of the Land Bank operated similar to the Land Bill with the only differences being:

- that it covered the whole country;
- that combating poverty was not one of the priorities; and
- that potential beneficiaries with higher household incomes could be accommodated (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:89-90).

The introduction of market-led programmes was justified by the Government on the basis that:

- they will ease the burden on the state fiscal resources;
- they would reduce social conflicts as well as judicial settlements pertaining to land redistribution; and
- they would contribute to the reduction of rural poverty (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:90).

The introduction of the Land Bank was denounced by various social movements in favour of state-led approaches, because it was argued that:

- it would put an end to the expropriation process; and that
- it was a ploy to demobilise the social movements and place the control of land reform in the hands of the elite (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:90; Domingos, 2002:6).

With the relentless pressure that was brought to bear by the social movements, the World Bank finally agreed to amend the loan scheme by excluding land earmarked for expropriation from the programme (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:91). In the face of mounting criticism of the Land Bank scheme, the World Bank sought support from the Confederação Nacional dos Trabalhadores na Agricultura (CONTAG or National Confederation of Agricultural Workers), a rival social movement of the MST. CONTAG had been advocating for a complementary land reform programme targeting sharecroppers, renters and smallholders (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:91). The Land Credit and Poverty Reduction Programme was launched at a cost of US$ 400 million, dealing with similar concerns to those raised by CONTAG (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:91). The support given to CONTAG served to legitimise the World Bank-sponsored land reform programme, as well as create tension

between CONTAG and MST in terms of who is the legitimate voice of rural workers and the landless (Deer & De Medeiros in Akram-Lodhi *et al.*, 2007:91; Sauer, 2006:9).

The Land Credit programme was continued by the Lula government in spite of all the criticism (De Medeiros, 2007:1508). The Lula government also abolished the Land Bank in 2002, and introduced two new programmes, namely Nossa Primeira Terra (Our First Land), aimed at facilitating the purchase of land by young people, and Family Farming Consolidation aimed at assisting small producers (De Medeiros, 2007:1508).

iii. Problems pertaining to administration

A number of problems, which impacted negatively on the administration of market-led agrarian reforms, can be identified. Emphasis will be put on the Cardoso and Lula governments to illustrate the point. On average it takes around 17 months to complete a land credit transaction under the land credit programme, which is attributed partly to delays in bureaucratic processing (Sparoveck in De Medeiros, 2007:1510).

Beneficiaries lacked knowledge in terms of what the land reform programme entailed, and how they were supposed to participate and benefit (Bruno in De Medeiros 2007:1510). In the case of the Cédula da Terra (the Land Title)*,* the limitations of resources for this programme resulted in associations opting to buy cheaper land, which in many instances was marginal land, thus leaving behind some cash to invest in the newly acquired land (De Medeiros, 2007:1512; Sauer, 2006:20). Families played a relatively small role in the choice of farms to purchase and the negotiation process for the purchase of land, with the negotiations instead being done by government officials in charge (Sauer, 2006:20).

Beneficiaries were unable to purchase land closer to villages and consumer markets, which was expensive (De Medeiros, 2007:1512; Sauer, 2006:20). This negatively impacted on the viability of the farming operations due to a large number of beneficiaries (65%) opting to live in their villages, mainly due to the access of schools for their children (De Medeiros, 2007:1513). It also resulted in a knock-on effect in terms of access to agricultural extension, which resulted in poor farm management. Production on the

newly acquired farms was not enough to generate income for beneficiaries, capitalise the farms, invest in production activities and to service the loan (Sauer, 2006:24).

4.4.3 The Filipino case

4.4.3.1 The land problem

The history of the Filipino land distribution problem can also be traced back to the colonial period by the Spanish in the sixteenth century (Franco & Borras, n.d:68; Wurtel, 1988:6-7). Ecclesiastical authority was a major part of the governing system of the Filipino to such an extent that the church accumulated significant assets including vast tracts of land (Wurtel, 1988:5). The current problems of land distribution, share crop tenancy, as well as a dichotomous dual system of agricultural production characterised by the small farmer sector and the capitalist farmer and corporate plantation sector, can be traced back to the Spanish colonial period, as well as the American occupation during the first half of the twentieth century when the above-mentioned problems were heightened (Borras in Akram-Lodhi *et al.*, 2007:121).

It must however be borne in mind that the Philippines was also subjected to colonial rule from other countries namely:

- the United States of America, which annexed it from the Spaniards in 1899 (Franco & Borras, n.d:68), and signed a ten-year commonwealth agreement in 1935, which gave the Philippines some form of independence with a separate constitution under the leadership of President Manuel Quezon, subject to the USA retaining particular forms of control over the country until full independence was achieved; and
- Japan, which invaded the country in 1941, and occupied it until the USA restored the sovereignty of the Philippines in 1946 (Wurtel, 1988:6-13).

Agricultural land constitutes approximately one third of the 30 million hectares of the Filipino land surface area, the majority of which is occupied and owned by the elites (Borras, 2005:98). The events during the occupation periods had an effect on the power struggles between the elite group and the ordinary people on, among others, issues

such as agrarian reform, including the manner and pace with which such disputes could be resolved.

Land reform programmes were introduced in 1972 through Presidential Decrees 2 and 27 (Otsuka, 1991:340, Wurtel, 1988:167) and which advocated for "...the emancipation of the tiller of the soil from bondage". Wurtel (1988:168) is of the opinion that Presidential Decree 27 was a major improvement over previous pieces of legislation because:

- all tenants whose landlords owned more than seven hectares of land were eligible to purchase the land;
- the purchase price was fixed at one and a half times average annual production;
- the Land Bank paid the landlords 10% cash and 90% in bonds;
- tenants had to pay the debt from Land Bank over 15 years at 6% interest rate; and
- when the land has been fully paid, the tenant would receive title deed, but before any agreement could be reached with the landlord, the tenant would receive a Certificate of Land Transfer, which gives him/her the right to purchase the land.

The programme also suffered from poor administration, which slowed its implementation, with the following problems being identified as causes:

- government red tape;
- staff shortages as a result of budgetary constraints; and
- top decision makers crumbling under pressure from landlords (Wurtel, 1988:169).

4.4.3.2 The Comprehensive Agrarian Reform Programme (CARP)

The discussion that follows outlines the relevant circumstances and process for the introduction of the Comprehensive Agrarian Reform Programme (CARP), including some of its features that are similar to market-led agrarian reform, as well as problems pertaining to implementation. The land reform experiences in the Philippines can be explained through:

- an analysis of the capacity of the state to initiate and implement reforms, and by examining "...the interaction of state and social actors within an existing socio-political and economic context" (Feranil in Moyo & Yeros, 2005:258; Franco, 2008:994, Montinola, 1999:749; Putzel, 1999:214); and

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- a consideration of the role of corruption from the ruling elite and anti-reform forces (Borras, Carranza & Franco, 2007:1558; Broad, Cavanagh & Bello, 1990:157; Department of Agrarian Reform evaluation report, 2006:23; Franco, 2008:994; Putzel, 1999:216; Sidel, 1997:952).

To illustrate the phenomenon of state-society interaction, Borras and Franco (in Franco, 2008:995) are of the opinion that land redistribution under CARP reached a peak between 1992 and 2000, a situation made possible when the position of secretary for the Department of Agrarian Reform (DAR) was occupied by two former NGO land activists, who used their position of influence within the Government to curtail the activities of anti-reform forces. These forces had in the past, managed to collaborate with corrupt government officials to frustrate land reform programme implementation.

A weak state capacity was manifested by:
- the existence of strong non-state organisations (e.g. client-patron relationships, and regional strongmen who protected their vested interests through established corrupt relationships with political office bearers and public officials), which resisted attempts by state leaders to exert control of the state in society (Franco, 2008:997; Montinola, 1999:741);
- the inability of political office-bearers to pronounce on and give effect to land reform policies that promote the interests of the majority in society (Montinola, 1999:741-742); and
- the loss of institutional legitimacy in the eyes of the public by institutions of the state such as the legislature, the executive and the judiciary, in a democratic society (i.e. members of the public lose trust and confidence in and respect for the rules, operating procedures and outcomes of an institution of the state, which are perceived as not being representative of the collective values of society) (Haynie, 1994:754).

Though these factors are some of the constraints impacting upon implementation of land reform, they will not be the main focus of the discussion on land reform in the Philippines. They will only serve to provide reasons behind the failure to successfully implement land reform programmes.

The Philippines introduced the CARP land reform law in 1988, due to pressure from a coalition of indigenous farmers' associations and after the killing of 19 landless peasants who were demanding changes in land ownership (DAR Evaluation report, 2006:23). CARP aimed at bringing reforms in tenure relations to about 10,3 million hectares of public and private farmland through land redistribution (Borras, 2006:79, Franco, 2008: 996; Institute of Social Studies/United Nations Development Programme, 2005:4), of which a large tract of public land to be distributed under the Community-Based Forest Management (CBFM) programme (a sub-programme of CARP) was under private control (Cabarle & Lynch in Franco, 2008:995).

Private land that was initially targeted, was to be made available voluntarily by farmers (which land turned out to be unproductive and not easily accessible) as it was anticipated by the DAR administrators that there was major resistance from farmers especially with regard to prime agricultural land (Reyes, 1999:5). The targeted land was reduced in 1996 to 8 million hectares, where the amount of private land targeted for redistribution was reduced, and in addition to this amount some 2 million hectares of land (private land included) was made available for the benefit of an estimated 1 million households under leasehold arrangement (Borras in Akram Lodhi *et al.*, 2007:123).

The DAR in the Philippines was responsible for implementation of the CARP programme on private land and on some state land (Borras & Franco, 2005:336), while the Department of Environment and Natural Resources (the DENR) was responsible for all alienable and disposable land, as well as other state owned 'forested' land (Borras, 2006:80; Institute of Social Studies/United Nations Development Programme, 2005:5). Various land acquisition modalities within CARP, brought about by the need to manage pro- and anti-reform manoeuvres, were as follows:

- Operation Land Transfer (OLT), which emanated from the Marcos era, and targeted tenanted rice and corn fields (Borras, 2005:100; Institute of Social Studies/United Nations Development Programme, 2005:6);
- Voluntary Offer-to-Sell (VOS), which provided more cash incentives as opposed to issuing government bonds, and which, it was hoped, would encourage landlords to sell their land voluntarily (Borras & Franco, 2005:336; Institute of

Social Studies/United Nations Development Programme, 2005:6; Ledesma in Franco, 2008:1003); and

- Voluntary Land Transfer (VLT), which aimed at inducing co-operation by landlords, whereby Government would transfer land directly to beneficiaries on terms agreed to between the landlord and buyers, with Government only playing the role of providing information required to facilitate the transaction (Borras & Franco, 2005:336; Institute of Social Studies/United Nations Development Programme, 2005:6).

The VOS mode required of landlords to sell their land to the state (Borras & Franco, 2005:336; Institute of Social Studies/United Nations Development Programme, 2005:6), whereas under VLT landlords would sell their lands directly to beneficiaries (Borras, 2005:100; Institute of Social Studies/United Nations Development Programme, 2005:6). The other land acquisition modality was the Stock Distribution Option (SDO), where corporate farms were exempted from land redistribution if landlords should choose the option of issuing to workers corporate stocks equivalent to the value of land, which in effect turned workers into co-owners (Borras, 2005:99; Institute of Social Studies/United Nations Development Programme, 2005:6). The last and final mode of acquisition under CARP was Compulsory Acquisition (CA), which involved expropriation of land (Borras & Franco, 2005:336; Institute of Social Studies/United Nations Development Programme, 2005:6). Though CARP was aimed at promoting co-operation among landlords, it had an expropriation component, especially in the VOS (under specific conditions), the OLT and CA methods, where the state had the right to expropriate land in the case where the landlord was unco-operative (Borras, 2005:100; Institute of Social Studies/United Nations Development Programme, 2005:6).

The implementation of CARP encountered difficulties. There were disagreements with regard to the correctness of statistics offered by the DAR pertaining to CARP accomplishments (Institute of Social Studies/United Nations Development Programme, 2005:7). Corruption was a negative factor, where, for example in the VOS programme, corrupt Government officials of the DAR and tax offices (Habito & Briones, 2005:12; Institute of Social Studies/United Nations Development Programme, 2005:8), would, when determining land compensation amounts, arbitrarily select expensive land to use in determining comparable sales, and again connive with landlords to inflate land prices,

thus depleting the financial resources of the state (Putzel, 1992:318). Further allegations were that Government officials connived with land owners, by formalising land claims of elites occupying state land, thus entrenching and perpetuating pre-existing tenure relationships (Franco, 2008:1004-1005; Habito & Briones, 2005:12). Landlords, with assistance from anti-reform Government officials, undermined the land reform process by, for example, using dummy beneficiaries in contravention of official policy (Franco, 2008:1004-1005; Habito & Briones, 2005:12; Institute of Social Studies/United Nations Development Programme, 2005:8),

Weak managerial and technical ability negatively impacted on effective administration of land reform programmes (Habito & Briones, 2005:12), as manifested by fragmented or poor co-ordination of policy implementation (Habito & Briones, 2005:12). Reduction of the budget and/or unstable budget allocations by a pro-landlord dominated Congress (Institute of Social Studies/United Nations Development Programme, 2005:8), reduced the state's ability to pursue expropriation measures thus leaving the willing-seller, willing-buyer methods of VLT and SDO as the only options available (Borras in Akram Lodhi *et al*., 2007:127-128, Habito & Briones, 2005:12). Public officials were reluctant to invoke the expropriation measures even where the land negotiation process had stalled (Reyes, 1999:5).

The above constraints demonstrate that land reform programmes can fail due to the following factors:
- selective application of the provisions of government policy by public officials;
- weak managerial ability;
- weak ability to provide technical support by way of plans;
- poor funding, which results in weak administrative capacity to implement policy;
- landlords succeeding in:
  - gaining control of state institutions; and
  - manipulating land prices as evidenced by the corrupt sale of the 1888 hectare Garchitorena Estate in Camarines Sur (Putzel, 1992:314); and
- poor reporting and weak accountability.

However, successes that have been registered have been credited to alliances between pro-reform forces in society with pro-reform forces in the bureaucracy to convert less

than ideal opportunities for reform at specific times into actual land redistribution (Borras *et al.*, 2007:1558).

4.4.3.3 Market-led agrarian reform

The World Bank released a report in 1997 on the strategy to combat poverty in the Philippines (Reyes, 1999:5). Part of this report touched on the problems the World Bank had with CARP implementation. The World Bank made an attempt to convince the Philippine government to abort its CARP programme in the 5 to 24 hectare farm category because it:

- distorted the land market; and
- was expensive for Government (Borras *et al.*, 2007:1558; Borras in Akram Lodhi *et al.*, 2007:129, Institute of Social Studies/United Nations Development Programme, 2005:9; Reyes, 1999:5).

The advances by the World Bank were met with resistance from both the DAR officials as well as civil society organisations (Borras *et al.*, 2007:1558; Borras in Akram Lodhi *et al.*, 2007:129; Reyes, 1999:5). However, the factors that facilitated the final acceptance of the World Bank proposal by the Philippine government were:

- the dire shortage of funds for the CARP programme; and
- CARP implementation increasing momentum in 1999 to include commercial banana farms as well as large private estates (Borras *et al.*, 2007:1558; Reyes, 1999:5).

The market-led agrarian reform programme was introduced in 1999 as a pilot programme by the World Bank and the Philippine government, complementary to the CARP programme (Borras in Akram Lodhi *et al.*, 2007:129; Institute of Social Studies/United Nations Development Programme, 2005:8). The first stage of the introductory phase involved a feasibility study that introduced two pilot projects, with the first one on 178 hectares of state land and targeting 178 potential beneficiaries (Borras *et al.*, 2007:1563). The second pilot project was on 48 hectares of private marginal land and targeting 19 potential buyers (Borras *et al.*, 2007:1563). Beneficiaries had to pay the full cost of the land (Philippine Pesos (PhP) 16 000/hectare) through a loan obtained

from the Land Bank, which was offered at commercial interest rates (Borras in Akram Lodhi *et al*., 2007:129).

The implementation of the MLAR met with resistance from NGOs and peasant organisations. To deflect attention from the programme, the World Bank relabelled the pilot programme The Community-Managed Agrarian Reform Programme (CMARP) (Institute of Social Studies/United Nations Development Programme, 2005:9). At the end of the feasibility study, the World Bank expanded the project into a pilot programme in mid-2003, and called it the Community-Managed Agrarian Reform and Poverty Reduction Programme (CMARPRP) (Borras *et al*., 2007:1564; Institute of Social Studies/United Nations Development Programme, 2005:10). The aim of CMARPRP was to facilitate the sale of 1000 hectares of land to 1000 rural poor households, on the same conditions as stipulated in the VLT mode of land acquisition (Borras *et al*., 2007:1564; Borras in Akram Lodhi *et al.*, 2007:130; Institute of Social Studies/United Nations Development Programme, 2005:10). Though the CMARPRP was introduced as a pilot project, the number of hectares targeted for redistribution was too limited compared with the CARP programme (0.009% of the 10,6 million hectares targeted under the CARP programme), and also because approximately one third of the Philippine's land area of 30 million hectares is agricultural land (Borras, 2005:98), which makes the target for the CARP programme much more realistic. CMARPRP adopted the following principles:

- a negotiated agreement between willing-seller and willing-buyer;
- a demand-driven approach to land reform;
- an integrated land transfer as well as service delivery (post-transfer) support mechanisms; and
- the centrality of income generation based on improved farm productivity and credit finance support (Borras *et al*., 2007:1564).

By April 2007, 972 hectares of land had been distributed under CMARPRP, which amounts to:

- 97,2% of the 1000 hectares initially targeted for redistribution; and
- only 243 hectares redistributed under this programme per financial year, starting from the 2003/04 financial year.

This is in comparison with the estimated 435,019 hectares of private land estimated to have been redistributed through the VLT mode under the CARP programme between 1988 and 2001, and which represented 25% of all private land redistributed to the landless (Borras, 2005:102). However, official data in terms of the achievement of the CARP programme were contested because landlords were engaging in land transactions aimed at frustrating the implementation of the programme, thus some of the land officially registered as having been redistributed to the landless, was actually registered in the names of relatives of landlords and not redistributed (Borras, 2005:102).

Based on the above performance and other indicators which the World Bank considered as positive signals of the programme's success, the World Bank's local project office required as one of its recommendations that the willing-seller, willing-buyer approach be implemented by Government on a wider scale (Borras *et al.*, 2007:1564). However, a comparison of the CARP programme with the CMARPRP programme demonstrates the following:

- In spite of the unreliability of official records pertaining to the performance of the CARP programme as highlighted by Borras (2005:102), Lahiff, Borras and Kay (2007:1425) are of the opinion that more hectares of agricultural land was redistributed under the CARP programme.
- CMARPRP was more costly in the sense that CARP cost $357/hectare and $714/household compared with CMARPRP $2547/hectare and $3049/household (Borras *et al.*, 2007:1565).
- Under the CMARPRP programme, Government officials facilitated deals that encouraged land grabbing of public land by elites who then sold such land to their own relatives or sold it at commercial rates to the very same indigenous communities who had a valid claim against the land (Borras *et al.*, 2007:1567-1572). These corrupt practices had a detrimental effect on the poor, who in most cases had to drop legitimate claims by relenting to pressure from elites due to threats of evictions from local government officials, coupled with sweet promises of better services, which were never fulfilled (Borras *et al.*, 2007:1567-1572).

CMARPRP is perceived to be anti-poor (as opposed to being anti-poverty) and anti-reform in character, and that it mainly assisted in facilitating the intra-elite/elite-to-elite, state-to-elite, foreign donor-to-poor, and poor-to-elite transactions thus entrenching the prevailing conditions in tenure relationships and undermining land reform under the CARP programme (Borras *et al.*, 2007:1573; Lahiff *et al.*, 2007:1427).

4.5 CONCLUSION

The two case studies above demonstrate the difficulties encountered by the two countries in terms of implementing their land redistribution programmes. The market-led programmes introduced were World Bank-inspired; similar to the LRAD programme being implemented in South Africa and which is the subject of this research project. The difference between the land redistribution programmes of South Africa, Brazil and the Philippines is that both Brazil and the Philippines implemented the state-led and market-led programmes concurrently, while South Africa's land redistribution programme is market-led only. Though the market-led land redistribution programmes have been inspired by the World Bank approach, there are differences in the type of policy instruments used, with South Africa making use of grants, Brazil making use of loans but with the interest payment subsidised over a number of years, and the Philippines using loans issued at commercial rates.

The similarities of the market-led land redistribution programmes between the three countries are the following:
- the implementation of a demand-driven approach to land reform;
- a negotiated agreement between willing-seller and willing-buyer;
- an integrated land transfer as well as service delivery (post-transfer) support mechanisms; and
- the centrality of income generation based on improved farm productivity.

Efforts to achieve effective implementation were being undermined by the following key issues:
- lack of co-operation by key stakeholders (key among them landlords and politicians);

- policies which had the opposite effect of what government intended to achieve through its redistribution programmes;
- connivance by some anti-reform government officials whose intentions were to frustrate the policy intentions of government;
- poor administrative capacity to implement government programmes as manifested by poor allocation of resources, long turnaround times, and poor systems for accountability; and
- a manifestation of poor co-operative governance during the planning and implementation of the land redistribution programmes.

The following chapter presents an overview of the land reform policy environment in South Africa. The chapter will also reflect on the similarities and dissimilarities with regard to the administration of market-led agrarian reform programmes between South Africa, Brazil and the Philippines.

CHAPTER 5

LAND REDISTRIBUTION POLICY IN SOUTH AFRICA

5.1 INTRODUCTION

The previous chapter gave a brief explanation of land reform problems as experienced in some other developing countries. The case studies of Brazil and the Philippines clearly outlined how land redistribution was conceptualised and implemented, the challenges that these countries encountered during policy formulation and implementation, as well as lessons learnt from which comparisons could be drawn given the similarities of their land redistribution models to that of South Africa.

The aim of this chapter is to explain the origins of the LRAD policy of South Africa, the administrative context through which it was implemented, as well as the challenges faced with its administration. The discussion will be confined to events that led to the institution of the new Government in 1994, as well as policies introduced by the post-1994 Government and their relevance to the administration of the LRAD programme.

5.2 ADMINISTRATIVE POLICIES RELEVANT TO LRAD PROGRAMME ADMINISTRATION

The aim of the discussion is to introduce the process of negotiations towards a political settlement, the political and administrative set-up in the new democratic South Africa, and how the situation has evolved over time. This section will also discuss policy, organisational, financing, staffing, procedural and accountability arrangements put in place by the post-1994 Government and which impact on the administration of Government policies such as the LRAD programme.

5.2.1 The pre-1994 political settlement for the creation of a democratic South Africa

The democratic Government of South Africa came about through a negotiated settlement reached during the Convention for a Democratic South Africa (CODESA) talks (Weideman, 2004:226), which both the ruling National Party government and the

African National Congress had to opt for as neither party was decisively defeated at the end of the 1980s (Giliomee, 1995:84). A number of factors have been cited (Giliomee, 1995:84-93; Rantete & Giliomee, 1992:516; Habib, Pillay & Desai, 1998:103; MacDonald, 1996:224) as having facilitated the process of negotiations between the two parties, namely:

- armed and mass resistance to apartheid from Black people;
- divisions among the dominant Afrikaner group on how to deal with the revolution;
- economic pressure brought to bear on the Government in the form of disinvestment, trade restrictions and bans on long-term credit;
- the delegitimisation and international ostracisation of the apartheid government;
- the collapse of communist states in Eastern Europe and the Soviet Union, which deprived the ANC of its important resources;
- pressure exerted by the Soviet Union and some southern African Frontline States for the ANC to negotiate a political settlement;
- control of the economy by White people, which economy was going to be critical in providing the resources necessary to sustain the development programmes of the new Government;
- the signing of the New York Accords of 1988, which granted independence to Namibia and resulted in the withdrawal of Cuban troops from Angola, a situation that weakened the ANC as it resulted in them evacuating their camps in Angola, which were within striking distance of South Africa; and
- the erosion of the South African Government's strategic defences, with the collapse of colonisation in Angola, Mozambique, Zimbabwe and Namibia.

During the negotiations, there was agreement between the negotiating parties that a democratic dispensation should be ushered in (Giliomee, 1995:96-97; Habib *et al*., 1998:104). However, there were disagreements, with the NP government proposing a power-sharing model, while the ANC-led alliance promoted a majority-based concept of democracy (Giliomee, 1995:96; Habib *et al*., 1998:104). In the end, the following major concessionary agreements were made (Giliomee, 1995:96, Habib *et al*., 1998:104, MacDonald, 1996:227-228):

- the establishment of a constitutional democracy;
- the drafting of an interim Constitution and Bill of Rights, which Constitution:

- was the legal instrument through which the Constituent Assembly came into being; and

  - laid the foundation for most of the constitutional principles upon which the current Constitution, 1996, is based;

- the holding of elections for the Constituent Assembly, which was tasked to write the final constitution;

- a power-sharing arrangement based on proportional representation for a period of five years (i.e. parties with 5% or more votes in elections receiving seats in the Cabinet proportional to the number of votes), which also made provision for the President (elected by majority rule), and the two Vice-President posts to accommodate minorities;

- that minority parties could not veto executive decisions but had to be consulted by the President on executive decisions to be made;

- the National Party secured concessions which granted job protections for state officials, a move that was strategic in that it gave the National Party an opportunity to influence the direction and pace of policy implementation without having to achieve this through the ballot system (MacDonald, 1996:227-228);

- the independence of the judiciary;

- substantial devolution of power to the provinces;

- the abolition of homelands; and

- the creation of one sovereign, democratic Republic of South Africa.

The 1994 democratic elections ushered in the Government of National Unity. The Government of National Unity had separate ministries for Agriculture and Land Affairs. The ministry for Agriculture was headed by a minister from the National Party, and the ministry for Land Affairs was headed by a minister from the ANC (Hall, 2004:4). The National Party left the Government of National Unity in 1996, after which the Agriculture and Land Affairs ministries were assigned the status of government departments, with both departments reporting to the Minister of Agriculture and Land Affairs, who was a minister from the ANC (Hall, 2004:4).

5.2.2 Constitutional mandate

The interim Constitution, 1993 (Section 1 (1)), which came into effect on 27 April 1994 (and was to a large extent repealed in 1996), and the Constitution of the Republic of South Africa, 1996, constitute the new democratic Republic of South Africa as one sovereign state. The interim Constitution, 1993, provided the following measures:

- interim arrangements for governing and administering the state during the transitional period, towards adoption of a new constitution for the country; and
- principles which served as the foundation upon which the new constitution shall be developed.

The Constitution of the Republic of South Africa, 1996, is the supreme law of the Republic. Any law or conduct that is inconsistent with the Constitution is invalid (Constitution, 1996, 1 (2)).

5.2.3 Political accountability

The executive authority of the Republic is vested in the President (Constitution, 1996, 85 (1)). The President exercises this authority together with other members of the Cabinet (Constitution, 1996, 85 (2)). Members of the Cabinet are accountable collectively and individually to Parliament for the exercise of their powers and the performance of their functions (Constitution, 1996, 92 (2)), and must furnish Parliament with full and regular reports concerning matters under their control (Constitution, 1996, 92 (3) (b)).

The executive authority of a province is vested in the Premier of a province (Constitution, 1996, 125 (1)), which authority the Premier exercises with other members of the Executive Council (Constitution, 1996, 125 (2)). Members of the Executive Council (MECs) are accountable collectively and individually to the provincial legislature for the exercise of their powers and the performance of their functions (Constitution, 1996, 133 (2)).

5.2.4 Transformation of the South African Public Service

The Government of National Unity inherited from the apartheid Government a fragmented (i.e. apartheid Government administration plus the homeland government administrations), rule-based public service characterised by too much central government control (State of the Public Service Report, 2004:33; White Paper on Transformation of the Public Service, 1995:3). Giliomee (1995:89) estimates that between 1980 and 1991, the employment level in the central Government rose by 75%, which the Government accommodated through increasing the tax burden as well as borrowing money. However, the interest on public debt grew on a comparative basis from 5% in the year 1975 to 19% by the year 1992, resulting in debt servicing being the single largest cost item in the Government's budget (Gilliomee, 1995:89).

In an effort to integrate the fragmented administrations, the Government of National Unity promulgated the Public Service Act (Proclamation No. 103 of 1994), as amended. In dealing with the administrative transformation for the new Government, the White Paper on Transformation of the Public Service (1995:14) proposed that the Government should draw lessons from other countries that have embarked on or completed similar processes of administrative reform. The proposals made in the White Paper on Transformation of the Public Service (1995:14-15) were as follows:

- anchoring public administration "upon principles of sound management, enterprise, and a clear sense of mission";
- defining the role of the state from that of being a 'principal agent' in social and economic development, to that where the state facilitates and guides development such that the country is fully integrated with the world economy;
- cutting state expenditure and the size of the Public Service, and sub-contracting out the functions and services of the Government on a competitive basis;
- re-defining the political and administrative relationship by introducing measures such as:
    - clear lines of responsibility;
    - performance targets, measures and monitoring; and
    - promoting greater devolution of managerial autonomy and resource control;
- putting greater emphasis on quality, efficiency and effectiveness;

- promoting an organisational culture with a service ethos, which is more customer oriented;
- introduction of performance appraisal and incentive systems;
- reforming planning (including budgeting systems) and control systems to make them more performance and output oriented; and
- putting greater reliance on information and computerised management systems.

The above proposals as contained in the White Paper on Transformation of the Public Service (1995:14-15), are similar to the administrative reforms undertaken by a number of countries and referred to earlier as the New Public Management. Most of these proposals were endorsed in the Presidential Review Commission Report (1998), and have been given expression in a number of policies such as:

- the Public Finance Management Act (1/1999), in terms of clarifying the roles and responsibilities of the executive authority and the accounting officer as discussed below, performance targeting and economic values of efficiency, effectiveness, and economy;
- the extent to which the Government has gone about through its supply chain management policies, in terms of sub-contracting the provision of government functions and services; and
- the Public Service Laws Amendment Act (47/1997), which clarifies the roles and responsibilities pertaining to appointment, promotion and transfer of staff by assigning them to the Executive Authority, or any person to whom the Executive Authority may delegate such authority.

5.2.5 Organisational arrangements

The South African government adopted a number of measures in 1994, which describes the organisational structure of the Government, as well as prescribe how the various state entities should co-operate in the implementation of government policy. The discussion below will consider the legislative and broad policy measures, which define the rationale and modalities adopted by the state entities in administering government policy in general, with the context being narrowed to specifically discuss their impact on the administration of the LRAD programme.

The intergovernmental arrangements governing the administration of the LRAD programme can be traced firstly from the interim Constitution of the country. In Schedule 4 (xvi) of the interim Constitution, 1993, it is stipulated that the Government must be structured at national, provincial and local levels. In the Constitution of the Republic of South Africa, 1996, (Section 40, (1)), spheres were substituted for levels, and described as distinctive, interdependent and interrelated.

(a) *Distinctive* means that the three spheres have powers to make decisions and exercise their constitutionally conferred functions within the framework of national legislation and policies, on all matters affecting them. All spheres of government and organs of state are therefore implored to adhere to the following principles:

- respect the constitutional status, institutions, powers and functions of government in the other spheres;
- not assume any power or function except those conferred on them in terms of the Constitution; and
- exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in other spheres.

(b) *Interdependent* means that they are dependent on one another for resources and information. They must support one another to enable the country as a whole to function as one unit. The following constitutional principles have relevance (Section 41, 1(c)):

- provide effective, transparent, accountable and coherent government for the Republic as a whole.

(c) *Interrelated* means that the overall performance of government is affected by the operations of the spheres of government as individual entities, as well as in relation to one another. The following constitutional principle has relevance (Section 41, 1(h)):

- co-operate with one another in mutual trust and good faith by
  - fostering friendly relations;
  - assisting and supporting one another;
  - informing one another of, and consulting one another on matters of common interest;
  - co-ordinating their actions and legislation with one another;

- o   adhering to agreed procedures; and

- o   avoiding legal proceedings against one another.

The Constitution of the Republic of South Africa, 1996 (Section103, (1)), establishes the nine provinces into which the Republic is administratively divided, as well as their boundaries. These provinces are:

- Eastern Cape

- Free State

- Gauteng

- KwaZulu-Natal

- Mpumalanga

- Northern Cape

- Limpopo

- North West

- Western Cape

In terms of Schedules 4 and 5 of the Constitution, 1996, the powers and functions at the national and provincial spheres must include:

- those that must be performed exclusively by each sphere; and

- those that must be performed concurrently by both spheres.

The functional areas which have not been explicitly allocated to provinces and municipalities as concurrent or exclusive functions (i.e. the remaining unwritten functions) are performed by the national Government. This arrangement is characteristic of a 'weak' federation since "the powers of the federated units are diminished by constitutional limitations" (Botes *et al*., 1992:39-40).

Schedule 6 of the interim Constitution, 1993, provided for agriculture as one of the legislative competencies of provinces. The interim Constitution, 1993, did not specify whether provinces have exclusive or concurrent powers in this regard. However, in the preface to the White Paper on Agriculture (1995), the then Minister of Agriculture said the following: "According to Schedule 6 of the Constitution, agriculture is a provincial function. One policy implication thereof is that the Departments of Agriculture at national and provincial levels must develop their own agricultural policies. However, agriculture

cannot be divided into separate national and provincial compartments. The overall management of agriculture had to promote policy goals for both levels". In terms of the foregoing statement by the Minister, a national minister had the responsibility to provide the overarching framework within which provinces were to develop their own legislation to address their own province's specific circumstances.

According to Schedules 4 and 5 of the Constitution, 1996, land reform is a functional responsibility of the national Government, while agriculture is a concurrent function between the national Government and provincial governments.

5.2.6 Administration of intergovernmental relations in South Africa

The policy provisions with regard to intergovernmental relations in South Africa, as prescribed in the Constitution of the country, 1996 (Section 40, (1)), are given practical application through the Intergovernmental Fiscal Relations Act (97/1997), and the Intergovernmental Relations Framework Act (13/2005). The main purpose of the Intergovernmental Fiscal Relations Framework Act (97/1997) is to:

- promote co-operation between national, provincial and local spheres of government on fiscal, budgetary and financial matters; and
- to prescribe a process for the determination of an equitable sharing and allocation of revenue raised nationally.

In terms of Section 9 of the Intergovernmental Fiscal Relations Act (97/1997, 1 (a-c)), the Financial and Fiscal Commission must at least 10 months before the start of each financial year, submit to both houses of Parliament, the provincial legislatures and the Minister of Finance, recommendations for tabling in both houses of Parliament on:

- how revenue raised nationally will be shared among the three spheres of government;
- the amounts that each province will receive; and
- any other allocations to be made to provincial and local governments from national revenue, as well as the conditions to be attached to such funds.

The Intergovernmental Relations Framework Act (13/2005) provides a framework for promoting, facilitating and governing intergovernmental relations among the three

spheres of government, as well as among organs of state. The Intergovernmental Relations Framework Act (13/2005) also has as its object to facilitate co-ordination in the implementation of policy, as well as legislation authorising policy, including:

- coherent government;
- effective provision of services;
- monitoring implementation of policy and legislation; and
- realisation of national priorities.

In terms of promoting the object of the Intergovernmental Relations Framework Act (13/2005), organs of state and spheres of government are urged to ensure that they achieve the following in conducting their affairs, namely:

- that when performing their statutory functions, they take into account the circumstances, material interests and budgets of other governments and organs of state;
- to consult other affected governments and organs of state in accordance with formal procedures;
- that when implementing policy and legislation, they must co-ordinate their actions with those of other affected governments and organs of state;
- to avoid unnecessary and wasteful duplication of activities;
- to ensure that there is sufficient institutional capacity and effective procedures:
  - o for consultation, co-operation and information-sharing with other organs of state; and
  - o to respond promptly to requests from other organs of state for consultation, co-operation and information sharing; and
- to participate in intergovernmental structures of which they are members, with a view of settling disputes and problems when they arise.

With regard to the administration of government programmes, chapter 2 of the Intergovernmental Relations Framework Act (13/2005, 9-12 & 30) proposes the establishment of a national intergovernmental forum, and also validates the Ministerial and Members of Executive Committee (MINMEC) structure that existed before the promulgation of the Intergovernmental Relations Framework Act (13/2005). The Intergovernmental Relations Framework Act (13/2005) also makes provision for the establishment of the Intergovernmental Technical Committees.

Chapter 3 of the Intergovernmental Relations Framework Act (13/2005) proposes the development of implementation protocols where there is joint administration of policy among governments, as well as among organs of state. To that extent, Cabinet has in November 2005 approved the Framework for Managing Joint Programmes, which was developed by the former Department of Provincial and Local Government (now called the Department of Co-operative Governance and Traditional Affairs). Cabinet went further at the January 2006 Cabinet lekgotla by approving the development of templates for interdepartmental protocols, which templates were subsequently developed by the former Department of Provincial and Local Government, and are available on the website of the Department of Co-operative Governance and Traditional Affairs. A *lekgotla* refers to a meeting place by Batswana traditional authorities for consultative purposes with the tribes and for settling tribal disputes, which concept was adopted by the new Government to refer to consultative meetings held by the Cabinet, and attended by other political office-bearers and administrative executives, to discuss government policy.

5.2.7 Financial administration of government programmes

The Public Finance Management Act (1/1999, as amended), and the annual Division of Revenue Act, are the two policy documents prescribing how financial resources should be administered. The Public Finance Management Act (1/1999, as amended) is the principal Act on matters of financial administration in South Africa, and prescribes and gives guidance on, among others, the following:

- allocation of funds to the various entities of government;
- transfer of funds between state entities and non-state entities;
- the responsibilities of accounting officers in respect of management of the resources of the state, including risk management; and
- how the utilisation of these resources should be accounted for.

In terms of the Public Finance Management Act (1/1999, as amended), systems must be put into place to ensure that there is adequate control of the LRAD programme grant funds, as well as other conditional grants made available by the national Government to provinces to support the effective administration of the LRAD programme. Among

others, the Public Finance Management Act (1/1999, as amended), prescribes the following:

- that an accounting officer (head of department) should be appointed for each department (Section 31 (1));
- the general responsibilities of accounting officers pertaining to efficient, effective and economical management of the grant funds (Section 38 (1));
- the responsibilities of accounting officers pertaining to budgetary control (Section 39 (1));
- the reporting responsibilities of accounting officers in relation to the utilisation of allocated funds (Section 40 (1));
- the financial responsibilities of political office-bearers or executive authorities in terms of accountability to the legislature (Sections 63 to 65);
- the key role of the National Treasury in terms of co-ordination of intergovernmental financial and fiscal relations (Section 6 (1)); and
- that the National Treasury must monitor the implementation of provincial budgets (Section 6 (1)).

The annual Division of Revenue Act is promulgated in accordance with the provisions of the Intergovernmental Relations Fiscal Act (97/1997). It outlines how revenue raised nationally will be divided among the three spheres of government, national, provincial and local government. The Act also makes specific provision for national programmes and projects implemented by provinces and local municipalities, as well as the conditions for transferring funds, managing the funds, and accounting for the use of funds, in line with the provisions of the Public Finance Management Act (1/1999, as amended).

In terms of expanding the provision of agricultural support services as well as promoting and facilitating agricultural development in provinces, Schedule 4 of the annual Division of Revenue Act makes provisions for resourcing and accounting for the CASP conditional grant. The annual Division of Revenue Act prescribes the CASP budget allocations for all nine provinces for the three-year Medium-Term Expenditure Framework (MTEF) budget cycle, as, for example, indicated in the 2005 Act (1/2005), and reflected in Table 5.1.

Table 5.1 CASP allocations and projections in terms of annual Division of Revenue Act

Name of province	2005/06 CASP allocation R'000	Projection for 2006/07 R'000	Projection for 2007/08 R'000
Eastern Cape	47 552	57 061	69 838
Free State	21 088	23 306	38 084
Gauteng	5 727	6 873	19 651
KwaZulu-Natal	46 270	55 524	68 301
Limpopo	41 786	50 143	62 921
Mpumalanga	23 629	28 355	41 133
Northern Cape	13 148	15 777	28 555
North West	33 594	40 313	53 091
Western Cape	17 206	20 648	33 426

From the CASP budget, the provincial departments of agriculture would decide on the projects to be funded in line with the provisions of CASP, and will then make a submission of recommended projects to the DOA for approval. The DOA will upon approval of projects:

- inform the province of its decision;
- make part payments to provinces through the provincial treasury; and
- conduct monitoring and evaluation based on quarterly and other special reports that provinces are obliged to submit.

Funds for land redistribution do not form part of conditional grants allocated to provinces, but are allocated to the national Department of Land Affairs, from which they are managed centrally. Provincial chief directors have been delegated powers (LRAD Policy Framework, 2001:11) to approve land redistribution projects in terms of the provisions of the Public Finance Management Act (1/1999, as amended).

5.3 LAND REFORM POLICY IN SOUTH AFRICA

The official policy of the ANC with regard to land policy prior to and in the early 1990s was that the state should play an interventionist role of nationalisation (Ottaway, 1996:133; Weideman, 2004:225). The policy of nationalisation is articulated in the Freedom Charter. The Freedom Charter was adopted by the Congress of the People in 1955 and it states that "restrictions of land ownership on a racial basis shall be ended, and all the land re-divided amongst those who work it to banish famine and hunger".

According to the Freedom Charter (1955), the state is to assist African farmers with "...implements, seed, tractors and dams to save the soil and assist the tillers". The vision of the ANC in terms of nationalisation and egalitarianism was revised during the transition period of the 1990s in the face of pressure from international and domestic business interests (Habib *et al*., 1998:104; MacDonald, 1996:226). By the 1990s, the ANC had not formulated any substantive policy on land and agrarian issues, other than references that could be traced back to the Freedom Charter (Weideman, 2004:225). In the ANC document titled 'Constitutional Guidelines for a Democratic South Africa (1989), the ANC reiterates the provisions of the Freedom Charter (though revised somewhat) by saying that:

- the state must devise and implement a land reform programme that will include and resolve the following issues:
    - o abolition of racial restrictions on ownership and use of land; and
    - o implementation of land reforms in conformity with the principle of affirmative action, taking into account the status of victims of forced removals.

After the unbanning of the ANC, it began engaging in discussions within the country pertaining to land reform, using the National Land Commission and regional land commissions, which were coalitions of NGOs and civic movements that were involved during the apartheid struggles for the restoration of land rights to Black people (Hall, 2004:5; Weideman, 2004:225-6). The National Land Commission was dissolved at the end of 1992 due to the failure of regional commissions, and it was subsumed under the department of Economic Planning as the Land and Agriculture Desk (Weideman, 2004:226).

Before the new democratic political dispensation could be ushered in, the National Party government in anticipation of the political changes that were imminent in South Africa, introduced the White Paper on Land Reform in 1991. The White Paper, 1991 (2), proposed the adoption of the Abolition of Racially Based Land Measures Bill, 1991, to repeal the 1913 and 1936 Land Acts, and other laws promoting racial segregation. As a result of this initiative, the Abolition of Racially Based Land Measures Act (108/1991, as amended) was enacted, resulting in the repeal of the 1913 and 1936 Land Acts, the Group Areas Act (36/1966), the Asiatic Land Tenure Act (28/1946) and the Black Communities Development Act (4/1984).

The White Paper on Land Reform (1991), which had its primary focus more on agrarian reform as well as retaining property ownership for those who were advantaged by previous discriminatory land policies (Crush & Jeeves, 1993:352; Ottaway, 1996:134; Weideman, 2004:226), suggested that the restoration of land to victims of forced removals should not be undertaken given that:

- it would not be feasible;
- it has potential for sparking conflict;
- it would be difficult to implement due to overlapping and contradictory claims being lodged; and
- a return to the past would disrupt the country's current pace and direction of development.

The Advisory Commission on Land Allocation (ACLA) was established towards the end of 1991, to advise on the restoration of land lost due to past discriminatory laws, and to confine its scope to unutilised state-owned land (Francis & Williams, 1993:382; Weideman, 2004:221). This was a position aimed at maintaining the status quo in terms of land ownership (Crush & Jeeves, 1993:355), a position which was rejected by the National Land Committee (NLC) and its affiliates, affected communities, as well as the ANC (Budlender, de Klerk, Dolny in Crush & Jeeves, 1993:352; Francis & Williams, 1993:381; Weideman, 2004:221).

With regard to land redistribution in particular, the White Paper on Land Reform, 1991 (12, 13), argued for the maintenance of the commercial agriculture sector and a market-driven process to land redistribution (cf. pp 141, 142, 152), which promotes and opens

access to private ownership of land. The White Paper on Land Reform, 1991 (13), in insisting that structural changes to the commercial agriculture must be made through market forces, and that government support in terms of access to land and agricultural services will be done on an equitable basis subject to the uniform application of the principle of merit, did not have regard for the conditions of the previously disadvantaged individuals, which impact on their ability to acquire and make productive use of agricultural land. The only instance, in the White Paper on Land Reform, 1991 (14), where the Government was explicit in terms of land redistribution for African farmers, was in terms of the 474 000 hectares of South African Development Trust (SADT) land which fell outside the boundaries of the self-governing territories and was not occupied by communities. Two Acts were promulgated as a result, namely the Distribution and Transfer of Certain Land Act (119/1993) and the Provision of Certain Land for Settlement Act (126/1993, as amended). These measures, which did not deal with the issues of equity and restitution, as well as the role of agriculture in a country faced by rapid population increase (Ottaway, 1996:134), were also rejected by land activists (cf. pp 143, 151) on the basis that the playing field was not level because African people could not be expected to purchase land without state intervention, after having been impoverished by the apartheid system (Weideman, 2004:222-3).

The market-led approach to land redistribution was consistent with the policy proposals of the World Bank, which began to play a prominent role in the South African land and agrarian policy domain since the early 1990s (Weideman, 2004:223). One of the recommendations by the World Bank was the use of cash grants to assist previously disadvantaged individuals to own land (Lyne and Darroch, 2003:4). This proposal was motivated by the fact that the market value of agricultural land was more than its productive value, therefore financing land reform purchase transactions via mortgage bonds would have been disadvantageous for beneficiaries since they would not have been in a position to service their bonds from the proceeds of the sale of agricultural produce only (Lyne & Darroch, 2003:4). Nieuwoudt and Vink (in Lyne & Darroch, 2003:5) are of the opinion that by giving out once-off cash grants would not make it easier for previously disadvantaged farmers to buy agricultural land by way of mortgage loans. This they attributed to:

- the underlying problem of high inflation during that period in South Africa;
- the low returns to investment relative to the market value of agricultural land; and

- the cash flow difficulties that farmers will encounter in the early years of farming, which will make it difficult for them to service their mortgage loans.

Nieuwoudt and Vink (in Lyne & Darroch, 2003:5) recommended that the Government should, over a number of years, rather consider graduating farmers out of the subsidy by subsidising interest rates that farmers were paying as this would impact much more positively on their cash flow.

A number of factors could have been at play during the negotiation process which prevented the previously dispossessed and marginalised from securing institutional and policy reforms they would have wanted (Bernstein in Maganya and Houghton, 1996:73). A 'compromised position' on land reform was reached in South Africa (Bernstein in Maganya *et al.*, 1996:73; Hall, 2004:654; Walker, 2005:812; Weideman, 2004:226) based on the following:
- the realities of among others, the emergence of a global neo-liberal agenda (Habib *et al.*, 1998:102);
- the need to give assurances that the new Government would not embark on revolutionary measures such as nationalising the economy (Handley, 2000:218);
- the challenge of fiscal restraint, which impacts negatively on nationalisation as an option, a constraint that the World Bank, which has been against state-led land reform (cf. p 151), was cautioning against in all countries where it introduced market-led programmes;
- the World Bank's proposal of a market-led (cf. pp 141, 151), grant-driven programme of land redistribution, of which it was estimated (in 1993) that it would cost the state R17.5 billion to transfer or redistribute 30% of agricultural land over five years;
- the apparent lack of a coherent land and agrarian policy from the ANC side; and
- the reality of having to strike certain compromises during the negotiation process of which one such was relenting to the demands from the National Party for protection of property rights (a key request to ensure that agricultural land held by White farmers enjoys protection and can only change hands to Black people through market mechanisms) in exchange for guarantees for the restitution of land that Black people were dispossessed of (Hall, 2004:656; Walker, 2005:812-813).

This compromise position, which is reflected in the ANC's 1994 election manifesto, the ANC's Reconstruction and Development Programme, the Land Policy (1995) and the Constitution of the Republic of South Africa, 1996, is in line with the policy proposals made by the World Bank during the transition period prior to April 1994 (Hall, 2004:4-5, Weideman, 2004:224).

5.3.1 The land reform policy after 1994

The background to the land reform policy of South Africa was discussed above. It was highlighted that as much as the views of the ANC pertaining to land reform can be traced back to the Freedom Charter, the executive policy of the Government as discussed below is the product of a negotiated process.

5.3.1.1 The executive policy of the Government

The executive policy of the new Government pertaining to land reform broadly and land redistribution in particular is based on a number of policy provisions. The Provision of Land and Assistance Act (126/1993) is the enabling policy document with regard to land reform. The Act enables the Minister of Rural Development and Land Affairs to approve the LRAD grant, which is instrumental in the acquisition of agricultural land. According to Section 10 (1) of the Act, the Minister may, from money appropriated by Parliament-

- acquire agricultural land, for the purpose of achieving the goals and objectives of, among others, the LRAD programme;
- provide applicants who qualify in terms of the provisions of the LRAD programme with grants for the following purpose:
  - for the acquisition of agricultural land for production;
  - for the acquisition of capital assets, required for the post-transfer development of acquired agricultural land;
  - to acquire an equity share in an existing agricultural enterprise, such as the equity scheme proposed in the LRAD programme;
  - to facilitate the planning of agricultural land, which includes property valuation costs; and
  - to facilitate the acquisition of agricultural land by municipalities through the commonage scheme.

According to Section 10 (2) of the Act, persons who may be allocated a grant for the acquisition of agricultural land are:

- those who do not have land, or who have limited access to land, and who wish to gain access to land or to additional land;
- those who have been dispossessed of land or of a right to land, but who do not have a right to restitution in terms of the Restitution of Land Rights Act (22/1994).

5.3.1.2 The political implementation policy

The South African government has, since 1994, embarked on a rigorous programme of land reform policy development. The process of policy development was guided by the principles embodied in the political policy of the ANC-led government, and the Reconstruction and Development Programme.

The consultation process with regard to development of the land policy was instituted when the Department of Land Affairs issued a framework document on Land Policy in May 1995 for public comment (White Paper on Land Policy, 1995). The White Paper on Land Policy (1995) is the culmination of this extensive process of consultation and opinion-gathering from experts, NGOs and ordinary people.

The Constitution of the Republic of South Africa, 1996 (Section 25), makes explicit provision for land reform as follows:

- that the country is committed to land reform, which is a matter of national interest, and to bringing about equitable access to all of South Africa's natural resources (Section 25 (4) (a));
- that the right to own property is guaranteed (Section 25 (1);
- that property may be expropriated,
  - for a public purpose or in the public interest (Section 25 (2) (a)), and
  - subject to a just and equitable compensation being made;
- that the amount of compensation and the time and manner of payment must be just and equitable, reflecting an equitable balance between the public interest and the interests of those affected, having regard to all relevant circumstances, including:
  - the current use of the property;

- o the history of the acquisition and use of the property;
- o the market value of the property;
- o the extent of direct state investment and subsidy in the acquisition and beneficial capital improvement of the property; and
- o the purpose of the expropriation.

The above provisions are equally applicable when just and equitable compensation has to be determined for agricultural land sold through market-led programmes. Some of the farms sold through the LRAD programme have benefited previously from Government subsidies, which consisted of the acquisition and beneficial capital improvement of such properties. These investments by the state should be considered in order to prevent owners of such properties unjustly receiving double benefit from the state. The first benefit is from the initial investment made by the state which had the effect of bringing about beneficial improvement on the farm and the market value of the farm, while the second benefit is from the subsequent purchase made by the state through the LRAD programme thus, the state would be paying for the added value it has made through its initial investment on the farm, and which added value will be pocketed by the farm owner. This factor, if not checked, can artificially inflate land prices, and can be costly to the state. The achievement of land redistribution targets can also be negatively affected, as well as the equitable access to South Africa's natural resources that the nation aspires for in the Constitution, 1996.

The central thrust of the land policy is the land reform programme (White Paper on Land Policy, 1995). This has been sub-divided into three sub-programmes namely:

- land restitution;
- land redistribution; and
- tenure reform.

According to the White Paper on Land Policy, 1995, land restitution deals with cases of forced removals which took place after 19 June 1913, and emanating from the Natives Land Act (27/1913). Land redistribution provides the previously disadvantaged rural and urban dwellers with access to land for residential and productive purposes (White Paper on Land Policy, 1995). Land tenure reform aims at providing tenure security for all

through a review of existing legislation, land policies, as well as administrative practices (White Paper on Land Policy, 1995).

In transforming the land and agrarian landscape, the following are the key issues that the Land Policy, 1995, was expected to adequately deal with if it were (White Paper on Land Policy, 1995):

- dealing with the injustices of racially based land dispossession of the past;
- ensuring a more equitable distribution of land ownership;
- reducing poverty and contribute to economic growth;
- ensuring secure tenure for all; and
- putting in place a land management system that supports sustainable land use patterns, and will facilitate rapid land release for development.

However, the Land Policy, 1995, recognises that the success of the programme does not depend only on access to land, but also on the achievement of other instrumental objectives. First among these is the provision of integrated government policy, with respect to support services, infrastructural and other development programmes. The second instrumental objective involves the development of an effective and accessible institutional framework for service delivery, characterised by a strong partnership between national-, provincial-, and local-sphere administrations.

It is the impact of these instrumental objectives that is at the core of this research. However, the following sub-section will give a description of the LRAD programme, which is the programme through which the major efforts by the Government of redistributing agricultural land are taking place.

5.3.2 The LRAD programme

The programme has been sub-divided into two sub-programmes namely:

- redistribution of agricultural land held by private individuals and the state (LRAD Policy Framework, 2001:5); and

- redistribution of agricultural land that deals specifically with commonage projects, with the aim of ensuring people's access to municipal and tribal land for agricultural and ecotourism purposes (LRAD Policy Framework, 2001:5).

5.3.2.1   Origins of the LRAD programme

The forerunner of the LRAD programme is the SLAG programme (Hall, 2004:25; Lyne & Darroch, 2003:4). The SLAG programme was a land redistribution programme targeting previously disadvantaged South Africans, who were poor and landless (Hall, 2004:25; Lyne & Darroch, 2003:4; White Paper on Land Policy, 2005). Beneficiaries had to earn an average household income of less than R1 500 per month to qualify for a cash grant of R15 000-R16 000 per household (White Paper on Land Policy, 1995). The DLA had anticipated that the beneficiary households would supplement the small cash grant with a bank loan, which was to enable them to acquire much bigger properties as well as sustain themselves (Lyne & Darroch, 2003:4). However, the means test excluded beneficiary households who earned more than R1 500 per month and ended up marginalising those who were creditworthy (Lyne & Darroch, 2003:4). This is because those who qualified for the SLAG programme were not creditworthy in terms of the risk profile assessment of banks, and those who were creditworthy were excluded for the SLAG programme.

Beneficiaries were allowed to pool their grants by establishing a legal entity (cf. p 142), which was a vehicle they used to buy land for their collective ownership and beneficial use (Hall, 2004:28; Lyne & Darroch, 2003:4; White Paper on Land Policy, 2005). Given the expensive nature of commercial agricultural land, small parcels of land (relative to group size) were purchased resulting in a large number of households crowded on a small farm which was insufficient to address their livelihood needs (Lyne & Darroch, 2003:4). By the end of 2000, the SLAG programme had transferred a total of 780,407 hectares (Lyne & Darroch, 2003:4). Given the dismal performance of the SLAG

programme, a moratorium was imposed by the former Minister of Agriculture in July 1999 on its implementation, with an instruction that the grant programme be redesigned (Hall, 2004:6).

This intervention by the Minister resulted in the LRAD programme, which was officially implemented with effect from August 2001 (Hall, 2004:8; Lyne & Darroch, 2003:4). According to Hall (2004:8), "...tussles between the DLA and NDA [Department of Agriculture] over drafts of their integrated programme of LRAD demonstrated difficulties of co-operation between the two departments", which co-operation improved later as evidenced in policy-thinking and departmental relations than in "...tangible contributions by the NDA in supporting land reform" (Hall, 2004:8).

The LRAD programme departed from some of the policy provisions of the SLAG programme in that:
- the resource endowed individuals from the previously disadvantaged background were accommodated;
- individuals also had the opportunity to purchase farms;
- the size of the grant was increased;
- assets relevant to the envisaged production enterprise/s, as well as debt, could be used to supplement the grant;
- the increased size of the grant as well as the use of own contribution to leverage the grant increased the creditworthiness of beneficiaries, thus giving them an opportunity to apply for loans; and
- no longer was land acquired just to sustain basic livelihood needs, but also for commercial production, thus helping to transform the agricultural sector in South Africa.

Lutchmiah, Pillay, Govender and Khanyile (2004:663) are of the opinion that merely tinkering with the policy instruments of the SLAG programme will not bring about success. They are of the view that unless problems that have constrained the redistribution programme before, namely:
- inappropriate use of consultants;
- shortage of willing sellers in the market; and
- bureaucratic inefficiency,

are dealt with, the LRAD programme will not succeed as anticipated.

5.3.2.2   Goals and objectives

The strategic objectives as listed in the LRAD Policy Framework (2001:5) are as follows:

- contributing to the redistribution of the country's agricultural land over 15 years (30% of the approximately 86 million hectares of white-owned agricultural land by 2014);
- improving nutrition and incomes of the rural poor, who want to farm on subsistence or commercial basis;
- decongesting overcrowded former homeland areas; and
- expanding opportunities for women and young people who stay in rural areas.

The following underlying principles guide the implementation process, and are crucial for the achievement of the above-mentioned objectives (LRAD Policy Framework, 2001:6).

The LRAD programme is unified, basic and flexible. Beneficiaries can use it in ways according to their objectives and resources. Beneficiaries make a contribution (in kind or cash) in varying amounts according to their abilities, a factor which underlines its flexibility. Given the flexible and demand-driven nature of the programme (cf. p 142), beneficiaries can define the type and size of projects they want to undertake.

The mode of implementation is adopted in the interest of maximum participation and empowerment of beneficiaries, speed of approval and quality of outcomes. Implementation is thus decentralised, and officials at local municipality level provide opinions and assistance in preparation of project proposals, but do not approve the applications.

Interdepartmental collaboration is to take place at all spheres of the Government, with district government assuming a key role. In line with the integrated development approach of the Government, projects will be undertaken in a manner consistent with district and provincial spatial development plans. Projects are reviewed and approved at provincial sphere and e*x-post* audits and monitoring will substitute a lengthy *ex-ante* approval process.

The above principles can be summarised in terms of the following:

- participatory development, whereby beneficiaries play a role in the design of the project;
- decentralised administration of the programme; and
- integrated planning of LRAD projects.

5.3.2.3 Types of projects undertaken through the LRAD programme

The LRAD programme undertakes a number of projects, according to the needs of the beneficiaries. Projects falling under these broad categories will be catered for, but support is not limited to these categories of projects (LRAD Policy Framework, 2001:5).

Food safety-net projects

Food safety-net refers to projects where participants would acquire land for food crop and/or livestock production. The purpose of such land acquisition is to improve household food security. These are the beneficiaries who were targeted by the SLAG programme, which the LRAD programme also accommodates.

Equity schemes

Equity schemes refer to projects where participants (mainly farm workers) would use their own contribution plus the LRAD programme grant to acquire a stake or equity into an existing agricultural enterprise. Acquiring the new status of being co-owners of the enterprise brings with it challenges, namely:

- the Government ensuring that real empowerment takes place;
- the Government ensuring that equity schemes are structured properly and that land owners do not take advantage of farm workers through equity schemes, which give them all the advantages but disadvantages farm workers; and
- the transition by beneficiaries from being farm workers to being farm owners, and even directors of companies.

Production for markets

Projects that produce for markets are those where beneficiaries would use a combination of their own contribution, the LRAD programme grant, as well as bank loans where necessary, to purchase commercial agricultural enterprises. These are the farmers who were previously excluded by the SLAG programme, and who are the main target of the LRAD programme.

It is assumed that these farmers would have more farming experience than those producing for household food consumption; hence their objective is to produce for national and international markets. However, in order for them to produce for the markets, post-transfer support would be required from the Government.

Agriculture in communal areas

Assistance is given in this regard to people living in communal areas, who already enjoy access to communal land, but cannot make productive use of the land due to limitations of poor infrastructure. Participants can make use of the combination of own contribution plus the LRAD programme grant to make improvements on the land, as well as put up the necessary infrastructure.

5.3.2.4 Intergovernmental structures for LRAD programme co-ordination

Intergovernmental structures play an important role in co-ordination of policy implementation. The brief discussion that follows considers the intergovernmental structures having an impact on the implementation of the LRAD programme.

Political executive structures

The Minister of Agriculture and Land Affairs has been vested with the executive authority of all policy matters pertaining to land reform. Given the fact that accountability for implementation of government policies and programmes in the province is vested with the Premier, it is important to have mechanisms for co-ordination of implementation of government programmes such as the LRAD programme. The Ministerial and Members

of Executive Committee (MINMEC) was responsible for co-ordination of policy nationally. This is the structure where the Minister for Agriculture and Land Affairs meets with the MECs to discuss policy matters pertaining to agriculture and land affairs. This structure has since changed name and is called the National Integrated Forum on Agriculture and Lands (NIFAL), after the promulgation of the Intergovernmental Relations Framework Act (13/2005).

The MEC for the DACE is accountable to the Premier, and assists by virtue of serving in the MINMEC for Agriculture and Land Affairs in bringing synergy between the implementation policy goals and objectives of the national Ministry for Agriculture and Land Affairs and the policy implementation activities in the provincial sphere. The Executive Committee of the province appoints the appropriate MEC to chair the Provincial Land Reform Co-ordinating Committee (PLRCC), which all along has been the MEC for the Department of Agriculture, Conservation and Environment. The PLRCC is the political structure responsible for co-ordination of land reform policy implementation within the province. It is made up of key stakeholders, and is expected to meet on a quarterly basis to assess, among others, the performance of the Provincial Grant Committee (PGC), which approves and disburses LRAD programme grants.

Administrative executive structures

From the administrative executive point of view, the programme has assigned joint and separate responsibilities to both departments of Agriculture and Land Affairs with regard to policy formulation, implementation, monitoring, evaluation and review. However, the DLA had the primary responsibility of ensuring the acquisition of land in terms of the Provisions of the Land and Assistance Act (126/1993). One of the joint responsibilities assigned to both departments was to co-ordinate policy issues and inter-departmental activities. The Intergovernmental Technical Committee on Agriculture and Land (ITCAL) has been the technical co-ordinating structure with regard to LRAD implementation. In terms of accountability with regard to the LRAD programme, the accounting officers of both departments are jointly and severally accountable to the national Minister.

5.3.2.5   Decentralisation of functions

Implementation of the LRAD policy at provincial level was initially by means of two routes, namely the DLA route and the Land Bank route. These routes were not mutually exclusive since they had to converge within the DLA, which had the constitutional mandate to manage all the processes of acquisition of land under the LRAD programme. The DLA route will be introduced briefly below under the heading deconcentration, and will be unpacked in more detail in Chapter 6. The Land Bank route will be covered in much more detail under the heading delegation of power.

Deconcentration of functions to provincial land reform offices

The deconcentration arrangement is consistent with the situation pertaining to the PLROs. The function of implementation of the Land Reform programme of the Government was assigned to the DLA and the Land Claims Commission. The responsibilities to administer the LRAD programme have been deconcentrated to the PLROs. The PLROs are a part of the administrative structure of the DLA and are managed from the national sphere. Chief Directors, who are administrative heads of the PLROs, were given certain limited decision-making powers in terms of approving grants, as well as managing the utilisation of resources in general.

Devolution of functions to provincial departments of agriculture

Schedule 4 of the Constitution, 1996, outlines the functional areas between the provincial departments of agriculture and the DOA. *Agriculture* is defined as a concurrent function between national and provincial spheres, with the functional area of the national sphere mainly confined to policy formulation, monitoring and evaluation, whereas the provincial sphere of government has more responsibilities regarding policy implementation. Section 125 (2 (b)) of the Constitution, 1996, vests the executive authority of the province in the Premier, with regard to implementation of all national legislation within the functional areas listed in Schedules 4 and 5 of the Constitution, 1996. The exception occurs where national legislation prescribes otherwise. Section 125 (2 (e)) of the Constitution, 1996, also emphasises the co-ordination of the functions of the provincial administration and its departments.

Delegation of functions to the Land Bank

The Land Bank, which was, during the period under review, an agency of the DOA, was delegated some functions regarding the implementation of the LRAD programme by the DLA. This was done through an agency agreement signed by both institutions in August 2001. The agency agreement between the DLA and the Land Bank makes the following provisions in terms of the rationale for and management of the agency agreement:

The rationale for the agency agreement between the DLA and the Land Bank was that participants or beneficiaries of the LRAD programme would from time to time require mortgage loans to augment the grant (cf. pp 142, 151), which may not be sufficient to finance the acquisition of farms and agribusiness properties, as well as establish viable commercial farms. The Land Bank had, in terms of fulfilling its developmental mandate from the Government, already developed financial products, which aimed at assisting the previously disadvantaged farmers to acquire farms and agribusiness properties, and was well placed to assist LRAD programme beneficiaries.

The route of implementing the LRAD programme via financial institutions supplements the limited financial and human resources made available by the Government to deliver services in terms of the programme. It also speeds up delivery of agricultural land as envisaged in the land redistribution targets set by the Government.

Applicants were only considered for the LRAD programme grant funding if they required loan funding from the Land Bank, or wanted to purchase Land Bank-bought property. The LRAD programme grant could also be accessed in conjunction with the lease of land, and where land was donated to the applicant at the time of application. In the case of both leased and donated land, the loan component from the Land Bank would constitute a part of the total funds to be acquired by the applicant.

The role and obligations of the DLA in terms of the agreement were as follows:
- to budget for and transfer grant funds to the Land Bank, to enable it to assist those beneficiaries who meet the stipulated requirements;
- to ensure that the Land Bank complies with the requirements of the Public Finance Management Act (1/1999, as amended), with regard to transfer of public funds to a public or private entity;

- to ensure that the LRAD programme grant funds disbursed are not used for any other purpose than stipulated in the provisions of the LRAD programme;
- to ensure that the Land Bank accounts appropriately to the department in a form prescribed by the Department, in terms of achievement of agreed policy outputs; and
- to monitor and evaluate the LRAD programme and provide leadership in the process of making policy and strategy reviews, as well as inform the Land Bank of any changes.

The Land Bank had specific roles and obligations in terms of the agreement. It had to make available all necessary documents to would-be clients, through its branches, provincial departments of agriculture and/or land affairs as well as district municipalities. The Land Bank also had to supplement LRAD programme amounts transferred to the bank by the Government, by a ratio of up to 1:4, to ensure that LRAD programme applicants who require and qualify for loan funding can be assisted.

In terms of the requirements of the Public Finance Management Act (1/1999, 38, 1 (j)), the Land Bank had to ensure that it develops internal control systems for managing receipt and disbursement of grant funds received from the DLA, with a requirement that two separate designated accounts be opened within the bank, for the Planning Grant Account and for the LRAD Grant Account. In addition to the normal functions of approving applications for loan funding, in accordance with criteria determined by the bank, the Land Bank was granted authority to approve planning funds from the Planning Grant Account, in accordance with criteria determined by the DLA. The Land Bank also had to make recommendations to the DLA, with regard to the approval of applications for the LRAD programme grant, and to oversee design agency agreements on behalf of clients, including disbursement of planning grants, as well as monitoring of the performance of contracted agencies.

Land/farm property valuation had to be undertaken for each application processed, and land title registrations and transfers had to be effected by the Land Bank on the instructions of the purchaser, which costs must be defrayed from the planning grant funds. In terms of project monitoring and evaluation, the Land Bank had to manage the performance of projects, as part of client service and loan performance monitoring, and

perform an audit of all transactions pertaining to funds transferred to the Bank, as well as account to the DLA in terms of the prescribed formats and reporting frequencies.

5.3.2.6   Financial instruments

The DLA is responsible for making budgetary provisions for the various types of grants under its administration. It also had to develop a guideline document for implementers and users alike as to how these grants will be accessed and funds accounted for. In terms of the grants and services document of the Department (Version 7, developed in November 2000), the following types of grants are described.

LRAD planning grant

The objective of the grant is to provide for the payment of services of design agents, property valuers, transaction costs and costs associated with the subdivision of agricultural land. The planning grant is set at a maximum of 15% of the total project costs (grant plus medium- and long-term loan amount) subject to the discretion of the director of a PLRO. Of the 15%, a maximum of 9% can be paid to the design agent for rendering professional services.

The planning grant will only be disbursed to design agents/service providers appointed through the DLA procurement system. Applicants may choose to pay a retainer to design agents, out of their own resources, which can be counted towards their own contribution requirement for the LRAD grant.

Land acquisition grant (LRAD grant)

The grant is meant to improve ownership of agricultural land, and/or access to productive resources by Black South African citizens. The grant could be used (in part, or in its entirety) for the acquisition of land (including the fees and taxes related to the land purchase), for agricultural purposes, to purchase capital assets, and for the development of the land acquired with the LRAD grant (cf. pp 142, 152).

The grant could also be used to acquire equity in an existing agricultural enterprise in terms of the equity scheme, and to secure a lease option for those participants that intend to farm. Successful claimants of the Land Restitution Programme in terms of the Restitution of Land Rights Act (22/1994), Labour Tenants Act (3/1996) and the Extension of Security of Tenure Act (62/1997), who show intention to farm and who are willing to make an own contribution, other than the land secured to them through the Restitution Programme or Tenure grant, can also benefit from the grant.

The LRAD Policy Framework (2001:7-9) outlines the conditions for accessing the LRAD grant. Black South African citizens (African, coloured or Indian), who are 18 years and older and are neither political office-bearers nor public officials, are eligible for the LRAD programme grant. Beneficiaries qualify for grants on a sliding scale, with the minimum grant amount being R20 000/individual and the maximum grant amount being set at R100 000/individual. The amount of the grant which a beneficiary qualifies for is dependent on the amount of matching own contribution that the applicant pledges, with R5 000 own contribution qualifying the applicant to receive the minimum grant of R20 000 and R400 000 own contribution qualifying the applicant to receive the maximum grant of R100 000.

Labour provided by the beneficiaries is recognised as a form of own contribution, and is calculated as the equivalent of R5 000 worth of own contribution, provided the project business plan can show evidence of how the applicants will contribute their labour. The other form of own contribution is contribution in kind in the form of assets such as machinery, equipment and livestock, which must be converted to their cash equivalents. A cash contribution can also be made by the applicants. All three forms of own contributions can be used in any combination according to the needs of the applicant.

Grant for the acquisition and development of land for municipal commonage

The objective of the grant is to enable municipalities to acquire land to extend or create commonage for the purpose of establishing schemes involving the productive use of the land resources (e.g. food gardens, arable land, grazing land, woodlots and ecotourism). It also provides infrastructure on land to be acquired, or on an existing land acquired through the commonage scheme. Ownership of the land acquired through this scheme

would be retained by the municipality, which would, in turn, lease the land to qualifying applicants.

5.3.2.7 Accountability

The political accountability at the national sphere pertaining to the LRAD programme is in terms of the Provision of Land and Assistance Act (126/1993), vested in the Minister of Agriculture and Land Affairs. At the provincial sphere, political accountability for implementation of the LRAD programme vests with the provincial Executive Council, under the leadership of the Premier.

5.3.2.8 Agrarian policy reforms impacting on LRAD programme beneficiaries

A number of policy reforms were introduced by the Government, which impacted directly and indirectly on the beneficiaries of land reform policies. These reforms are briefly discussed below with a view of providing insight into the policy environment within which beneficiaries of land reform policies were to operate.

Sub-division of agricultural land

The Sub-division of Agricultural Land Act (70/1970) regulates matters of sub-division of agricultural land. The object of the Act is to control the sub-division and, in connection therewith, the use of agricultural land. The Act specifically puts specific prohibitions in terms of:

- sub-division of agricultural land (Section 3 (a)); and
- lease of agricultural land for periods longer than 10 years (Section 3 (d)).

The ability of land-owners to sub-divide large land units was critical to the success of the land reform programmes (LRAD Policy Framework, 2001:13). This was because Black farmers were in no financial position to buy large land units which were expensive, thus sub-division of agricultural land enabled LRAD beneficiaries to use their grant funds and own contributions to acquire small parcels of land.

According to the LRAD Policy Framework (2001:13), the prohibitions contained in the Sub-division of Agricultural Land Act (70/1970) were nullified by the provisions of the Land and Assistance Act (126/1993), which allowed for sub-division of agricultural land. The whole of the Sub-division of Agricultural Land Act (70/1970) was repealed in 1998.

Marketing of agricultural produce

The agricultural marketing environment before 1994 was highly regulated and bureaucratic in nature, and fraught with vested interests (Karaan, 2006:52; Van Zyl, Vink, Kirsten & Poonyth, 2001:728). Changes have been brought into the agricultural marketing environment since the 1980s, which, though encapsulated in the old Marketing Act, were piecemeal and unco-ordinated (Van Zyl *et al.*, 2001:728).

The Kassier Committee (1992) made recommendations prior to the promulgation of the Marketing of Agricultural Products Act (47/1996), for the establishment of the Agricultural Marketing Council, which could manage the transition towards the new Act, override vested interests, but mainly manage the process of deregulation in the agricultural market (Van Zyl *et al.*, 2001:728). While the transition process towards promulgation of the new Agricultural Marketing Act was unfolding, the DOA launched the Broadening Access To Agriculture Thrust (BATAT), which had marketing as one of the components. Through BATAT, the state intervened to assist Black farmers to adjust to a new regime of changes which were unfolding before their own eyes, one of which was the marketing environment, which was gradually becoming more deregulated.

The transition during the deregulated environment in the agriculture sector resulted in some services and grants being withdrawn, which impacted negatively on previously disadvantaged farmers especially in the homeland areas (CASP business plan framework, 2004:6-7). The beneficiaries of land reform programmes were some of those who suffered from this neglect in service provision, especially from a financial support point of view (CASP business plan framework, 2004:6-7). It is not certain whether BATAT achieved its intended objectives given the fact that Black farmers as represented by the National African Farmers Union (NAFU) continued to make clear requests for state intervention in getting them integrated into formal markets (Karaan, 2006:255). The ideals of BATAT were given life in the agriculture sector strategy that was launched in

2003, which has, as one of its core objectives, broadening access and participation by the previously disadvantaged farmers.

Agricultural water management

The Water Act (36/1998) was promulgated due to the realisation that water is a scarce resource and should be managed as an economic commodity (Van Zyl *et al.*, 2001:729). Some of the changes that came with the Act and impacted on the agriculture sector were:

- giving higher priority to water for human consumption and the environment;
- the elimination of subsidised water prices;
- the elimination of the riparian principle of water rights;
- the introduction of integrated catchment management systems; and
- giving much more emphasis on cross-border co-operation (Van Zyl *et al.,* 2001:728).

The Water Act (36/1998) makes provision for beneficiaries of the LRAD programme to receive water subsidies over a five-year period, on a declining scale starting with 100%, and declining by 20% for each passing year. The Government has made this provision to cushion them against the cost of irrigation water in the initial years of their settlement on purchased farms. However, after five years of being on the farm, the Government expects the LRAD programme beneficiaries to have acquired the skills to efficiently manage irrigation water, like any commercial farmer would do, since 100% of the costs of acquiring this precious resource would by then be borne by them.

Post-transfer agricultural support

The CASP came into effect from the 2004/05 financial year. The CASP business plan framework outlines the primary aim of the DOA with this programme as the provision of effective agricultural support and to streamline the provision of services to the targeted four different levels of clients within the farming continuum. One of the responsibilities that the DOA has is to provide agricultural support to beneficiaries of the LRAD programme. According to the CASP business plan framework, the LRAD programme supports only the DLA component of the plan, and no clarity exists on how the

agricultural component should be financed. As a result, in some instances, the agricultural component of post-settlement support has been organised on an ad hoc basis, with the result that its impact has been partial at best.

The need for CASP stems from the Strauss Commission report, which recommended the introduction of financial 'sunrise' subsidies, and the adoption of a 'sunrise' package, with enabling conditions for the beneficiaries of the land reform programme who require loan finance. The purpose of CASP is to:

- establish financing mechanisms - the 'sunrise' subsidies; and
- to streamline and align service delivery within the three spheres of government by creating enabling conditions for land reform beneficiaries through the 'sunrise' package.

It terms of institutional relations, the CASP business plan framework states clearly that the need to provide post-settlement support to farmers who are beneficiaries of land restitution, redistribution and tenure reform programmes requires better co-ordination, primarily between the DOA and the DLA, between the national, provincial and local government and the active participation by farmers' organisations and business. The framework document further echoes the need to clarify the roles and responsibilities of the various departments and the need to put in place the necessary institutional mechanisms for project implementation and monitoring, a disjuncture that is seen to reflect the broader challenge the Government has in identifying the most appropriate mechanisms for ensuring the resourcing of interdepartmental programmes.

CASP is designed to support four different levels of clients within the farming continuum, namely:

- **The hungry** –This group is primarily the responsibility of the Department of Social Development. However, they are supported by the DOA and PDAs through advice, and during food emergencies and crises through agricultural food packs.
- **Subsistence and household food producers** – These are the household food security clients supported with programmes such as the Special Programme on

Food Security (SPFS) and the Integrated Food Security and Nutrition Programme (IFSNP). Agricultural starter packs are provided to this group.

- **Farmers** – This group refers to those who produce mainly for the commercial market, and include the beneficiaries of the LRAD programme. They receive strategic farm-level support and interventions, e.g. the rehabilitation of the irrigation schemes. CASP makes it a conditional requirement that a minimum of 70% of funds disbursed to a province be used for the benefit of land reform beneficiaries. All along the purchase of production inputs for land reform beneficiaries has not been allowed, but indications are that this condition will fall away starting from April 2009.

- **General public** – Support is given to this category to ensure that the business and regulatory environment is conducive to supporting agricultural development and food safety.

The above-mentioned categories of clients are financed through the following six cost drivers.

- information and knowledge management;

- technical and advisory assistance, and regulatory services;

- training and capacity building;

- marketing and business development;

- on-farm and off-farm infrastructure and production inputs; and

- financial assistance.

5.4 CONCLUSION

The LRAD programme is a hybrid product reflecting a combination of state involvement in the land market as well as free market mechanisms. The state intervenes because it has specific developmental and transformational goals to achieve, which it feels cannot be left to be corrected by market forces. Though the state has not assumed a dominant role in the land market as far as redistribution is concerned, it has nevertheless gone

beyond its conventional role of governance by providing both the regulatory mechanisms and incentive packages to facilitate implementation of the LRAD programme.

The implementation or roll-out of the LRAD programme also reflects this composite arrangement where state and non-state entities have to collaborate. A combination of these market and non-market forces at a given time has over time given result to certain policy outputs in respect of LRAD programme administration. The main thrust of this research is investigating the extent to which the instrumental objectives as described in the White Paper on Land Policy (1995) are being promoted, as well as the interaction of these and other variables in advancing or constraining the administration of the LRAD programme. Chapter 6 will present findings on LRAD programme implementation in the North West Province.

CHAPTER 6

LAND REDISTRIBUTION FOR AGRICULTURAL DEVELOPMENT IN THE NORTH WEST PROVINCE

6.1 INTRODUCTION

The previous chapter gave an overview of the origins, the nature and institutional context of land reform policy in South Africa since democratisation in 1994. The chapter laid the foundation for understanding the broader context in which the LRAD programme was being administered, but also for interpreting the findings in terms of LRAD programme administration in the North West Province.

The purpose of this chapter is, firstly, to present the findings based on oral and documentary evidence gathered. An analysis is provided as well as conclusions based on the interpretation of the findings.

6.2 BRIEF DESCRIPTION OF THE NORTH WEST PROVINCE

The brief background information to the North West Province given below has been adapted from a paper presented by De Brouwer (2004) at the North West Provincial Beef Conference. The climatic and vegetation information in particular has relevance in terms of explaining some of the constraints towards achievement of land redistribution targets in the North West Province.

6.2.1 Geographical location

The North West Province is situated in the north-west corner of the Republic of South Africa. The total surface area of the Province is approximately 11,6 million hectares (10% of total area of South Africa). The province is divided into four district municipalities namely Bojanala Platinum in the eastern part, Ngaka Modiri Molema in the central part of the province, Dr. Kenneth Kaunda in the south eastern part and Dr. Ruth Segomotsi Mompati in the western part. It borders Botswana in the north-west with the Molopo River forming the international boundary, Northern Cape (Province) in the west and south, the Free State (Province) in the south-east with the Vaal river forming the

provincial boundary, Gauteng (Province) in the east and Limpopo (Province) in the north. It is situated between 24°38'10"S and 28°6'44"S latitude and 22°37'44"E and 28°57'20"E longitude.

6.2.2 Agricultural production systems

The average annual rainfall for the province varies between 720 mm in the east of the province (i.e. Bojanala Platinum District Municipality) to less than 300 mm in the west of the province (i.e. Dr. Ruth Segomotsi Mompati District Municipality). The vegetation changes from temperate grasslands in the eastern part of the province to semi-arid bush and shrub veld in the western parts of the province. In accordance with the climate (rainfall distribution), the primary agricultural production systems in the province consist of:

- Mixed crop farming and livestock farming in the eastern parts of the province. Arable land with an effective depth in excess of 450 mm and long-term average annual rainfall in excess of 450 mm covers an area of approximately 1.2 million hectares or 10.3% of the provincial area but a greater area than that is regularly cultivated. In the more eastern parts of the province, crop production is usually the primary enterprise, as rainfall is generally higher. The cropping enterprise can, and often does, serve as an important source of feed or feed components for various livestock enterprises in the mixed farming.

- Almost exclusively extensive livestock farming towards the western parts of the province (Manstrat, 2008:32). The western regions of the province almost exclusively rely on extensive livestock production systems. This is mainly due to climatic constraints.

- Irrigation is limited to particular areas of Taung (Dr. Ruth Segomotsi Mompati District Municipality), Molopo (Ngaka Modiri Molema District Municipality) and Brits (Bojanala Platinum District Municipality), adjoining river systems, as well as isolated areas where irrigation from sub-terranean water sources is practised such as in Ventersdorp (Dr. Kenneth Kaunda District Municipality) and Louwna (Dr. Ruth Segomotsi Mompati District Municipality).

6.3 INSTITUTIONS ADMINISTERING THE LRAD PROGRAMME

The research was not about the study of the network responsible for LRAD programme administration in the North West Province. However, literature on network management has been used to describe the institutional arrangements for administration of the programme. According to Laumann, Mardsen and Prensky (in Foster-Fishman *et al.*, 2001:882) and Provan *et al.* (2005:605), when research is undertaken on programmes that are administered jointly, a decision has to be made on which organisations to include in the network for data collection (i.e. those that are bound together by collective ties).

The LRAD Policy Framework prescribes that the NWPLRO, the DACE and municipalities should collectively administer the programme. In addition to the above-mentioned institutions as prescribed by policy, the respondents mentioned that the Land Bank and commercial banks were also involved in the decision-making structures for LRAD programme administration in the North West Province. It has been mentioned in the previous chapter that the Land Bank was from the 2001/02 financial year up until the 2003/04 financial year, directly involved in the administration of the programme through an agency agreement with the DLA. According to the minutes of the Provincial Grants Committee (PGC) for the period February 2006 to December 2006, the following institutions participated in the decision-making processes of the PGC:

- The NWPLRO, which convened the PGC meetings, chaired the proceedings of the meetings, provided the secretariat support services, and was overwhelmingly represented in terms of number of officials participating in the PGC.
- The DACE, which was in all instances represented by one official at a time. Other staff members of the DACE from the agricultural extension services were from time to time requested to accompany the NWPLRO planners to PGC meetings to provide technical backup to planners when they make presentations of LRAD projects, which have been recommended by the District Land Reform Committee (DLRC).
- The Land Bank branches in the province.
- The DOA, through its staff that is monitoring the CASP administration in the province, in terms of deconcentration of administrative authority.

- commercial banks (i.e. those that provide mortgage and production loan finance in the agriculture sector).

The manner by which these institutions were collectively tied together will be discussed in later sections of this chapter. The respondents also identified institutions (and the reasons for their potential involvement) that were not part of the formal institutional arrangements at the PGC level as described above, and which they think could be playing a crucial role in the integrated administration of the LRAD programme. The following institutions were identified:

- Land Restitution Commission: Its participation is crucial because before an application for land purchase can be processed further, it must first be verified whether a land claim has been lodged against the said property or not.
- ESKOM (a parastatal institution responsible for generating and providing electricity within the country): Its participation is crucial because electricity is an integral part of each and every agricultural project, as such adequacy of supply must be guaranteed.
- Department of Water Affairs and Forestry: It has to provide advice on the availability of agricultural water, as well as water rights as they impact on the viability and sustainability of farms with irrigable land.
- Department of Social Services: Its participation is important because in some farms that are being purchased, farm-workers are affected not only because of the land purchase transaction involved, which introduces new owners of property, but also that they live under adverse conditions, which require intervention in a form of social grants.
- Department of Health: It has to take care of the health needs of farm-workers, as well as those of beneficiaries of the LRAD programme.
- Department of Education: Depending on the needs of a specific project, schooling facilities may have to be provided.
- Organised farmer associations: They should be involved since they are closer to the land in question, understand the land dynamics much better, and should be partnered with to assist in securing land purchase offers as well as mentoring newly settled beneficiaries.

In accordance with the minutes of the PGC, the municipalities as well as the above-mentioned institutions did, up until the end of the 2006/07 financial year, not take part in PGC activities. By suggesting the inclusion of the above-mentioned institutions in the processes for the administration of the LRAD programme, the respondents rather proposed an integrated approach towards the administration of the LRAD programme, and not necessarily that all these institutions should serve in the decision-making structures for LRAD administration. Given the fact that the LRAD programme was designed to be administered jointly by the departments of Agriculture and Land Affairs, the following section will outline the specific roles that each institution plays as defined by policy, shaped by practical experience and based on suppositions.

6.4 Roles in terms of LRAD programme administration

The LRAD Policy Framework (2001:14) outlines the responsibilities of the different role players in the implementation of the LRAD programme. These are summarised in Table 6.1.

Table 6.1: LRAD programme administration roles as prescribed by policy

Department of Agriculture	Department of Land Affairs
National sphere	
- Design LRAD - Provide training to participants, agents and local land and agricultural officers - Co-ordinate policy issues and interdepartmental activities - Monitor and evaluate outcomes of LRAD	- Design LRAD - Budget for capital transfers under LRAD - Monitor the flow of funds to the provincial sphere - Co-ordinate policy issues and interdepartmental activities - Monitor and evaluate outcomes of LRAD
Provincial sphere	
- Is accountable for LRAD in the province - Participate in various provincial committees	- Is accountable for LRAD in the province - Participate in various provincial committees

• Convene the grant approval committee and provide the secretariat	• Responsible for approving release of grants • Responsible for land survey, title registration and transfer
Local sphere	
• Provide technical opinion on the proposed farm plan, land use and environmental assessment • Work with district council counterparts to ensure project congruence with IDPs/LDOs • Provide agricultural support services	• Provide information and training for participants and agents (clarifying technical and legal aspects of LRAD) • Work with district council counterparts to ensure project congruence with IDPs/LDOs

Source: LRAD Policy Framework (2001:14)

The arrangement in Table 6.1 has resulted in the creation of a mandatory relationship between the DOA and DLA, which is common within public service organisations (Isett & Provan, 2005:150-151). It is the kind of interorganisational relationship that is derived from the legal or regulatory authority of government and is political in nature (Rodriguez *et al*., 2007:154). In this arrangement, the governing authority mandates the DOA and the DLA to co-operate with each other. The Government has convened these institutions (who out of their own accord may not have seen the necessity of co-operating), by formally giving them the mandate to intervene in the social problem concerning land redistribution, and the manner in which the intervention takes place (i.e. mechanisms for initiating and sustaining the interorganisational relationships) is prescribed and performance monitored within the hierarchy of the government bureaucracy (Benson in Rodriguez *et al*., 2007:156).

Though the official reasons could not be established as to why a mandatory relationship was created between the DOA and the DLA, the reasons could be inferred as follows:
- Shermerhorn (1975:850), in simplifying Merret's (in Shermerhorn, 1975:849) four-level analysis, suggests that in conducting an analysis of the manner in which interactions take place between organisations, characteristics (which render them either compatible or incompatible to co-operate) of potentially co-

operating organisations should be considered as a predictor of predisposition to co-operate. The two institutions belonged to one Ministry for Agriculture and Land Affairs. Agriculture and land reform policy formulation and implementation issues were already co-ordinated through the ITCAL and MINMEC committees by the time the LRAD programme was launched, thus it made sense for the joint administration of the LRAD programme to be assigned to these institutions.

- Relationships may be formed when organisations operate within a similar domain, such as the agrarian and land reform policy domain. In this context, co-operating organisations could be:
    - servicing the same clients;
    - providing the same services;
    - be requiring the same skills in order to carry out their functional responsibilities; and
    - having to respond to the same needs from society.

Organisational action by members participating in goal-directed networks based on policy domain similarity or goal consensus is not only driven by narrow individual organisational goals but also by network-level goals (e.g. the need to reduce competition and conflict among members, improve client service, attract network-wide funding and other critical resources) (Provan & Kenis, 2007:239). The two institutions operate within the same policy domain of agrarian reform where they share a common clientele, namely farmers.

Within a goal-directed network, which is similar to the institutional arrangements created for LRAD programme administration, organisations constituting the network share a common purpose and an understanding of the need to work together to achieve multi-organisational objectives of government (Provan & Kenis, 2007:231). In the context of the LRAD programme, the shared purpose was prescribed by policy and lead organisations were created by policy prescripts. These organisations enjoy more positional power in relation to others within the network. In terms of Table 6.1, positional power pertaining to LRAD programme administration is enjoyed by both the DACE and the NWPLRO, whose primary source of positional power is derived from the legislative mandate, which also grants them control over resources.

Lead organisations also command more resources. The tangible resource that the DACE had was in terms of control of CASP grant funds, which were made available to provinces since the 2004/05 financial year. Other than the CASP grant funds, the DACE was also allocated a limited amount of development funds by the provincial legislature, some of which were used to support land reform beneficiaries. Since the financial year 2001/02, the NWPLRO has been annually allocated the LRAD planning grant funds and the LRAD grant funds (i.e. for land acquisition), which it used to support beneficiaries of the LRAD programme.

Lead organisations enjoy legitimacy to play a lead role. The institutional theory perspective suggests that the external loci of power lies with the shapers and enforcers of institutional rules and beliefs (i.e. organisations are perceived as powerless to influence the institutional environment in which they render public services), hence the motive for organisations is to achieve legitimacy (i.e. being socially and politically accepted as worthy to continue existing for the purpose of rendering public services) and stability (i.e. ensuring survival of the organisation, as well as continuous flow of financial resources to the organisation) by conforming to the dictates of enforcers of institutional rules, such as political-office bearers and the legislature (Oliver, 1991:149). The legitimacy for the NWPLRO and the DACE to play a leading role in LRAD programme administration is derived from government rules. For the management of both institutions to maintain legitimacy, they had to be accountable internally within their respective administrative hierarchies, and collectively to the technical structure of Intergovernmental Technical Committee on Agriculture and Land (ITCAL) and political structures of the Provincial Land Reform Co-ordinating Committee and MINMEC for the efficient and effective administration of the LRAD programme.

Decision-making within the network gets co-ordinated through a lead organisation, irrespective of whether network members may be interacting independently between them. The DACE was granted the responsibility to convene the meetings of the PGC by interacting with stakeholders who form part of the PGC, and to keep a record of the proceedings of PGC meetings. The NWPLRO was given the authority to approve the release of the LRAD grants, a task which they could not accomplish unless they ensured that the proceedings and decisions of the PGC were in compliance with rules and regulations governing the LRAD programme. In spite of the roles and responsibilities

being clarified in the LRAD Policy Framework (2001), the NWPLRO has been convening PGC meetings and providing secretariat services (PGC Minutes, February 2006 to December 2006) and approving the LRAD grants. By assuming the roles and responsibilities of the DACE in terms of PGC activities, the NWPLRO was asserting its authority and centrality in terms of LRAD programme administration. The DACE continued to participate in the activities of the PGC in a lesser role of providing technical support, which demonstrates firstly, the commitment of the DACE towards the administration of the LRAD programme albeit in a lesser role and secondly, an acknowledgement of the lead role assumed by the NWPLRO in the administration of land reform programmes. These changes in terms of roles and responsibilities did not invalidate the decisions of the PGC, but ensured that the administration of the LRAD programme and other land reform programmes continued to be undertaken as planned.

Lead organisations assume responsibility for maintaining internal relationships within the network as well as developing new external relationships. McGuire (2002:601-607) and Agranoff and McGuire (in Berry *et al.*, 2004:546) suggest four tasks that a network manager need to perform in order to establish and maintain the activities of a network. They have to identify potential and necessary participants and make them interested in participating in the activities of the network. This task also involves obtaining resources for the network to get started and becoming functional. It has been indicated above that the number of institutions participating in the activities of the PGC extended beyond those that were prescribed by policy, to additionally include those that can play an important role in ensuring effective LRAD programme administration.

A network manager has to develop a framework of rules and values that will inform the context under which participation will take place. In the section on work methods and procedures, a description will be provided of the institutional arrangements developed by the PGC to ensure that it remains functional. Participants in a network have to be mobilised by a network manager towards a common and holistic purpose, as well as strategies for achieving the end. The common and holistic purpose pertains to redistribution of 30% of White-owned agricultural land by 2014, and which was the primary mandate of the NWPLRO. However, inherent in the redistribution of land is the issue of livelihood and sustainable development, which falls within the ambit of the

mandate of the DACE. In the section below on strategic planning, these mandates will be fully discussed.

A network manager also has to facilitate effective and sustained interaction among participants with a view of achieving a common purpose. A perusal of the minutes of the PGC during the period February 2006 to December 2006 shows that monthly meetings were held regularly. In certain instances, special meetings were also held. The NWPLRO database of land reform projects (which does not include applications that were declined) dealt with the decision-making structures (i.e. LLRC, DLRC and PGC) of the LRAD in the province. This is further evidence that there were sustained activities of interaction in terms of LRAD administration, as spearheaded by the NWPLRO.

6.5 RESPONSIBILITIES CREATED BY THE LRAD PROGRAMME

Administration entails putting into effect the policy decisions taken during the decision stage (Thornhill, 2005:180), and involves change from both organisational and policy perspectives (Slack, 2005:3). A new programme of government such as the LRAD creates new and/or additional responsibilities to the institutions administering it. Policy instruments structure public policies, and represent the different dimensions through which the policy problem of land redistribution can be dealt with (Lascoumes & Le Gales, 2007:5). The LRAD programme uses capacity instruments to address the policy problems identified in the White Paper on Land Policy (1995). According to Lascoumes and Le Gales (2007:5), capacity instruments have as their basic assumption the fact that there are certain constraints such as:

- lack of policy-related and agricultural production related information;
- lack of farming skills;
- poor education of land redistribution beneficiaries; and
- lack of resources which prevents targeted beneficiaries of the LRAD programme from making decisions or taking action that will lead to the realisation of the land redistribution policy goals, which in the case of the LRAD programme, the policy goals are the acquisition of agricultural land as well as sustainable production on the acquired land.

Respondents were asked to identify new and/or additional responsibilities or obligations created by the LRAD programme (see appendix 4). The respondents, who have been with their respective institutions when the SLAG programme (pre-cursor to the LRAD programme) was still being administered, and have been with their respective institutions since inception of the LRAD programme, were expected to identify the new and/or additional responsibilities imposed by the LRAD programme. The responses were coded into relevant themes and are presented in Table 6.2.

Table 6.2: Perceptions by respondents (n=8) of responsibilities created by the LRAD programme

NWPLRO	DACE
Programme co-ordination	**Post-transfer support**
To set up institutional relations	To ensure that LRAD projects remain productive
To do liaison and co-ordination with regard to institutional relations	**Programme co-ordination**
Post-transfer support	To participate in LRAD committees
To give the necessary advice and link applicants to possible markets through the assistance of DACE	To plan together for the funding of projects
Processing of LRAD applications	**Project design**
To ensure that applicants are assisted to get loans where there is a need for additional funding	To play a supporting role in terms of doing feasibility studies
To do selection of beneficiaries since the LRAD programme was initially geared to lead people to commercial agriculture	To assist with business plans
To approve planning grant at district level by District Managers (initially the provincial director had to do that)	
During SLAG time, submissions were being approved by the Minister, but later (with introduction of the LRAD) these delegations were brought down to provincial directors	
Had more applications of LRAD to process than during SLAG programme	

The responsibilities created by the LRAD programme, as perceived by respondents and presented in Table 6.2, can be summarised as follows:

Programme co-ordination: The respondents identified the following responsibilities:
- setting up of institutional structures for decision-making, which structures were not in place during the time of the SLAG programme;
- keeping institutional structures for decision-making functional, by, among others, assigning personnel to serve in them; and
- liaising with other institutions, with regard to the sharing of human and financial resources.

Processing of applications: The respondents identified the following responsibilities:

- **Project design**: This includes developing feasibility studies and business plans for projects, and ensuring that where there are shortfalls between grant funds and land purchase price, loan finance is facilitated. Though food security projects can be undertaken through the LRAD programme, its main emphasis, which is a main point of departure from the SLAG programme, is the creation of a new generation of black commercial farmers, hence the significance of concepts such as feasibility study, business plan and loan finance in the LRAD programme. The selection of beneficiaries could have been valid had the LRAD programme been designed to be supply led, in which instance the state would have had much more authority in terms of identifying farms to be purchased as well as selecting beneficiaries who qualify for the LRAD grants.
- **Delegated authority to approve the planning and LRAD grants**. Other than the views of the respondents, it could not be independently verified that the authority to approve grants was, during the time of the SLAG programme, vested in the national Minister. With the introduction of the LRAD programme, PLRO directors were delegated the authority to approve LRAD grants (LRAD Policy Framework, 2001:11), of which it could be inferred that before then they did not have authority to approve grants for the SLAG programme. Given that the mode of implementation adopted for the LRAD programme was "...in the interest of maximum participation of beneficiaries, speed of approval and quality of

outcomes" (LRAD Policy Framework, 2001:11), decentralisation of administrative authority had to be done if these ideals were to be realised.

- **Increase in volume of work**. The respondents indicated that they had more applications of the LRAD programme to process than during the SLAG programme. The NWPLRO database was used to compile information on LRAD projects approved in the North West Province, as presented in Table 6.3.

Table 6.3 Number of LRAD projects approved in the North West Province - 2001/02 to 2006/07

	Bojanala Platinum District Municipality	Dr. Kenneth Kaunda District Municipality	Ngaka Modiri Molema District Municipality	Dr. Ruth Segomotsi Mompati District Municipality
Total number of LRAD projects	31	34	60	92
Number of projects processed through the NWPLRO systems	27	28	39	89
Number of projects processed through the Land Bank systems	4	6	21	3
Total number of projects processed in North West Province for all land reform programmes	52	46	67	106

In terms of the NWPLRO database of land reform projects, 43 SLAG projects were processed and transferred between the period of March 1997 and June 2006. The projects that were transferred well within the period of LRAD programme administration are those that, due to a variety of problems, could not be finalised much quicker. In relation to the LRAD programme, 183 projects were approved through the NWPLRO administrative systems alone during the period 2001/02 to 2006/07, which represents a

326% increase as compared with the number of SLAG projects approved by the NWPLRO.

The increase in the number of projects for the LRAD programme can be explained by the fact that other than also providing for the food security categories, which were previously catered for by the SLAG programme, the new category of beneficiaries who were previously excluded by the SLAG programme means test of less than R1 500/household/month, and the majority of which qualify to apply for loan funding from banks, were catered for in the LRAD programme. In addition to the number of projects which the NWPLRO handled (i.e. both categories of projects that were approved as well as rejected) during the period 2001/02 to 2006/07, the volume of work undertaken through the LRAD programme includes other responsibilities which the respondents have identified as well (e.g. establishing and sustaining institutional structures for decision-making), and which also required more commitment in terms of effort and resources.

Post-transfer support: The main issue identified by respondents is ensuring that LRAD projects are sustainable, remain productive and are linked to markets so as to dispose of surplus produce. These are also features of the LRAD programme, which caters for new beneficiaries who buy agricultural land in commercial farming enterprises.

6.6 ROLES OF LRAD ADMINISTERING INSTITUTIONS AS PERCEIVED BY RESPONDENTS

The meaning attached to objects (i.e. an event with which to organise social action, such as the LRAD programme) and the social structures that people create (e.g. administrative systems), is constructed in a group or interactional perspective (such as in government departments). In the process of creating social meaning, people develop a social structure, which is composed of the "...generalizable procedures applied in the enactment/reproduction of social life" (Giddens in Sewell, 1992:8), which can be applied in a variety of contexts, of which, in administering the LRAD programme, can refer to the beliefs, knowledge and practices shared by all staff in terms of how the programme should be administered.

The LRAD Policy Framework (2001) was developed in the formative years of the programme. In the process of creating social meaning in terms of how the LRAD programme should be administered, a shared and institutionalised meaning of the roles played by the LRAD administering institutions developed and which shared meaning:

- could have emerged as those administering the LRAD programme grapple with the meaning of the content of the programme (Hill, 2003:267) as it relates to their institutional context;
- could be informed by the practical challenges (Pressman & Wildavsky, Van Horn & Van Meter in Hill, 2003:267), as identified by those charged with the responsibility of administering the LRAD programme, and the necessity of institutions administering the programme to make adjustments to the roles that they were designed to play so as to fit new realities; and
- informs the practices undertaken by the LRAD administering institutions (i.e. the activities that each institution does to administer the LRAD programme).

It was therefore important to establish from respondents how they perceive the roles performed by their institutions during the period under review. The responses were coded in terms of relevant concepts and are presented in Table 6.4.

Table 6.4: Actual roles played by LRAD administering institutions as perceived by respondents: n=8

NWPLRO	DACE
Lead organisation	**Dissemination of programme information**
Assumed a leadership role in terms of facilitating, interpreting and operationalising strategic objectives pertaining to acquisition of land	Assistance with regard to the steps to access the land
Programme implementation	**Project design**
Ensuring that the programme gets implemented to the fullest, such as making sure that projects that get implemented are sustainable	Providing technical inputs in terms of the sustainability of projects
	Assisting with development of project business plans
Mainly to acquire and transfer land to black people	Development of farm assessments and feasibility studies.
Protecting the rights of certain beneficiaries	**Resourcing the programme**
Resourcing the programme	Providing funding for projects from CASP
Providing the budget for implementation of the programme	
Programme Accountability	
Acting as custodians of the programme thus accounting for the success and failure of the programme, even though it was a dual mandate with DACE to implement it	

According to Table 6.4, the respondents from the NWPLRO articulated the dominance of the implementation space occupied by their institution, which they perceived to be the lead organisation pertaining to LRAD programme administration in the North West Province, as qualified by phrases such as "...assumed the leadership role", "...acted as custodians of the programme", as such "...accounting for the success and failure of the LRAD programme". The NWPLRO's primary responsibility is to extend land rights to previously disadvantaged individuals to meet the national targets for land redistribution, which they perform by way of providing strategic direction as well as provision of financial and other resources. The strategic objectives of the NWPLRO shall be discussed below in the sub-section on strategic planning.

The notion of accountability by the NWPLRO is not only confined to the functional responsibilities as outlined in the Land and Assistance Act (126/1993) and subsequently delegated to the chief director for the NWPLRO. It is being perceived to extend beyond the project transfer stage to be responsible for the success of the whole project including its sustainability, hence the perception that the NWPLRO is also involved in "...making sure that projects that get implemented are sustainable".

This could be construed as an encroachment by the NWPLRO onto the functional responsibilities of the DACE as outlined in Schedule 4 of the Constitution of the Republic of South Africa, 1996. It can also be seen as an evolution from the original thinking of perceiving the role of the NWPLRO as that of simply facilitating land purchase, towards one that recognises the fact that land redistribution is not just about statistics in terms of hectares distributed, but that it also has a developmental imperative, which must be factored in as a risk element that can retard progress towards achieving land redistribution targets.

The respondents from the DACE identified the role of their institution as being that of providing support in the administration of the LRAD programme. The support provided by DACE is in terms of:

- technical assistance to both the NWPLRO and LRAD programme beneficiaries in accordance with its functional responsibilities; and
- providing CASP funding.

The actual roles played by both institutions will become clear when the strategic objectives are discussed. The strategic objectives provide a clear interpretation by the management of how they plan to achieve the land redistribution targets.

6.7 STRATEGIC PLANNING FOR THE LRAD PROGRAMME

It was demonstrated above that most of the administrative measures adopted in the Republic of South Africa since 1995 have commonalities with the reforms undertaken in many countries, which are referred to as the New Public Management approach. The New Public Management approach, for example, defines the role that the administrative

executives of public institutions should play in the implementation of government programmes as:

- the development of strategies for the efficient and effective achievement of the LRAD programme;
- building political support internally and externally for the strategic directions they intend to take; and
- ensuring that institutions have the necessary administrative capacity to function (Kettle in Rosenbloom *et al.*,1994:42).

Before outlining the strategic goals, objectives and performance measures of institutions that administered the LRAD programme, the perceptions of respondents in terms of the role the public managers should play in LRAD programme administration will be presented.

6.7.1 Perceived role of public managers

The respondents, who had a role to play in terms of the administration of the programmes of their respective institutions, were also responsible for LRAD programme administration. By outlining their expectations of the roles public managers should play in terms of LRAD programme administration, they indirectly described some of the roles they were expected to perform. The actual role that the respondents said they played in LRAD programme administration is contrasted with their expectations of the role of the public managers. The responses were coded into relevant concepts and are presented in Table 6.5.

Table 6.5: LRAD programme strategic planning and operational management roles as perceived by respondents (n=8)

Roles expected of the public managers by the respondents	Roles that respondents say they play
Responses by the PLRO	**Responses by the PLRO**
Operational support	**Strategic management**
Interpretation of strategic objectives and targets and defining exactly what Land Affairs should be doing	Strategic management of the programme
	Operational support
Operationalising strategic objectives and targets by coming up with a brief in terms of how LRAD is to be implemented.	Providing technical and policy support to ensure compliance to policies and procedures
	Policy feedback and review
Removing obstacles, and providing guidance with implementation including where problems are being experienced	Providing feedback to policy-makers and implementers on how the policy can be improved
Policy feedback and review	
Serve as the mouthpiece of implementers by escalating policy-related problems to political principals to influence policy review	
Responses by the DACE	**Responses by the DACE**
Programme design	**Post-transfer support**
To know the needs of applicants and design/realign the programme in such a way that it satisfies the needs of clients	Providing agricultural extension support to approved and transferred LRAD projects
Post-transfer support	Development of business plans for DACE grant funding for projects where properties were registered and transferred to beneficiaries
Assist beneficiaries by giving advice on how to produce	

According to Table 6.5, the NWPLRO respondents expected the public managers in their institution to adapt the organisation to the demands of the external environment, by removing:

- cognitive constraints (e.g. interpretation of the strategic goals and objectives of the DLA);
- political constraints (e.g. escalating to political principals constraints emanating from the content of the land redistribution policy with a view of reviewing the policy); and

- any other constraints they may encounter when executing their mandated functions (Kettl in Rosenbloom *et al*., 1994:42).

Their responses in terms of the role that they perceived to actually play seem to be consistent with the expectations as described above. The respondents from the DACE expected the public managers to:

- play a role in reviewing the LRAD programme to ensure that it was aligned to the needs of beneficiaries, and
- ensure that the LRAD programme beneficiaries were assisted on how to produce.

The respondents from the DACE identified their role as that of ensuring that LRAD programme beneficiaries adapt to a new life as producers on the land that they have acquired through the programme. Land reform, among others, entails "...a redistribution of productive assets that would in turn result in a redistribution of income and an improvement in the living standards of the poor, particularly in terms of their food security, while not reducing aggregate output over the long term" (Liamzon, 1996:318). The Government must thus make provision for post-settlement or post-transfer support to ensure that the ideals of food security, poverty reduction, income redistribution and sustainable production, as described by Liamzon (1996:318) above, are achieved. LRAD programme beneficiaries who do not have access to markets, credit, technology and training from agricultural extension staff, will soon find themselves in a deepened state of poverty and indebtedness, which will force them to sell their land, where in most instances such land reverts back to the landed elites (Tilley, 2007:2).

6.7.2 Strategic goals and objectives

In the broader sense of understanding different levels of policy, a goal (derived from the political policy of the ruling party) provides the broad policy direction which serves to orientate the activities of government (Thornhill in Hanekom & Thornhill, 1995:229). In the narrow sense of the NWPLRO and the DACE, the land redistribution goal is essential for measuring the overall effectiveness of these organisations. The LRAD programme provides detailed guidelines for achievement of land redistribution goals by managers (Botes *et al*., 1992:311), as it outlines key results (outputs) to be achieved, the

administrative means for achieving the results, specific and much more detailed actions to be undertaken by managers, and thus serves as a parameter to exercise control in terms of achievement of policy goals (Thornhill in Hanekom & Thornhill, 1995:229).

The NWPLRO was managed by the same administrative officials during the period 2001/02 to 2006/07 financial years. The NWPLRO has since its establishment in 1996 (NWPLRO progress report, June 1996 to December 2007), not engaged in a separate strategic planning process of its own, but participated in and contributed to the strategic planning processes of the DLA. What the NWPLRO did, was to develop operational plans, which informed their targets for each financial year (NWPLRO Strategic report, 2008). The NWPLRO is not an autonomous government department, but an implementation unit of the DLA. It thus does not engage in a separate strategic planning process of its own, but in the strategic planning processes of the DLA. This arrangement is consistent with the definition of deconcentration of administrative authority, which refers to the transfer of administrative powers, and sometimes administrative personnel, from higher to lower levels in political systems (Manor, 2003:1).

A number of performance measures were developed since inception of the LRAD programme in the financial year 2001/02, but those that are directly related to realising the land redistribution target of 30% of White-owned agricultural land by 2014 are the following:

- number of projects approved (by PGC); and
- number of projects transferred.

These performance measures appeared in the operational plans of the NWPLRO up until the 2005/06 financial year. The concept of a *project* connotes firstly, purposive action undertaken with a view of achieving a particular objective, secondly, implementation of multiple activities and thirdly, a process which has a beginning and an end, and is designed to guide, integrate and co-ordinate planning and implementation. Linked to the number of projects approved and transferred are complementary indicators, namely:

- the number of hectares approved for transfer; and
- number of hectares transferred.

These complementary indicators relate directly to the land redistribution performance measure of number of hectares transferred, and are what the political principals would prefer at the completion of the programme.

The second batch of indicators indirectly relate to realising the above-mentioned land redistribution performance measures since they deal with post-transfer sustainability of projects. These are:

- number of projects with balance of grant;
- increase in jobs created and income earned after five years of receiving land; and
- increase in crop yields and livestock production after five years of receiving land.

The latter two do not appear in the operational plans, but were reported on in the quarterly reports starting from April to June 2006. They deal with the issues of sustainability of projects after transfer, which impact on the land redistribution target in terms of the number of transferred projects retained by beneficiaries. Project retention can assume the character of three dimensions, namely:

- surrendered i.e. where the whole farm is lost by beneficiaries through either selling it, or being repossessed by creditors;
- full retention i.e. where beneficiaries enjoy full ownership, are responsible for production and the full benefits thereof accrue to them; and
- partial retention i.e. where:
  - a portion of the farm is sold, or
  - ownership of the whole farm vests with the beneficiaries, but production (full or a part thereof) is undertaken by a third party and the beneficiaries enjoy a portion of what they would have received had they themselves been responsible for the full production on the farm.

The third batch of indicators were introduced in the operational plan of 2006/07, and appear to have been influenced more by the need to ensure that policy and programme changes emerging from the 2005 Land Summit are understood, embraced and incorporated into government plans by government institutions administering land reform programmes. These indicators contributed towards achievement of the performance

output on "development of an integrated provincial implementation strategy that is in line with the new land reform implementation models". They are:

- number of consultative workshops conducted; and
- development of final implementation strategy.

The performance indicators as reflected in the strategic plan documents, operational plans and quarterly reports are listed below:

- number of projects completed/approved (the NWPLRO strategic plan document, 2003);
- number of farms transferred (the NWPLRO strategic plan document, 2003; the NWPLRO quarterly reports 2004/05, 2005/06);
- percentage of marginalised beneficiaries (the NWPLRO quarterly reports 2005/06);
- number of hectares transferred through LRAD (the NWPLRO strategic plan document, 2003; the NWPLRO quarterly reports 2004/05, 2005/06, 2006/07; the NWPLRO operational plan, 2006/07);
- number of hectares transferred to marginalised groups (the NWPLRO strategic plan document, 2003);
- number of hectares transferred through commonage (the NWPLRO operational plan, 2006/07);
- number of individual/beneficiaries (the NWPLRO strategic plan document, 2003; the NWPLRO quarterly reports 2004/05, 2005/06, 2006/07; the NWPLRO operational plan, 2006/07);
- all relevant stakeholders in a district consulted and strategy in accordance with the post Land Summit processes developed (the NWPLRO quarterly reports 2006/07);
- increase in jobs created and incomes earned after five years of receiving land (the NWPLRO quarterly reports 2006/07);
- increase in crop yields and livestock production after five years of receiving land (the NWPLRO quarterly reports 2006/07); and
- implementable and aligned systems and procedures for redistribution (the NWPLRO quarterly reports 2006/07).

With regard to the DACE, during the period 2001/02 to 2006/07, the Department had three different political heads of department (MECs) and four different administrative heads of department (HODs) (the DACE annual reports, 2001/02 to 2006/07). With each MEC assuming office, the Department had to undertake a strategic plan review exercise for the new incumbent to incorporate his/her political vision into the plans of the department. As an example, one political head left the Department at the end of August 2005, and his replacement assumed duties in September 2005. Before leaving office, the outgoing MEC had concluded the strategic planning process and the strategic plan document titled: Department of Agriculture, Conservation, Environment, & Tourism Strategic Plan April 2005 to March 2010 was in place. The mission of the Department was coined as:

- "creating a conducive climate for sustainable development in agriculture, environment and tourism".

The incoming MEC also embarked on a strategic planning process of his own, of which the outcome was a strategic plan document titled 'Five Year Strategic Plan and Annual Performance Plan 2005/2010: Department of Agriculture, Conservation and Environment'. The mission of the Department was defined as:

- "to be the leading partner in the provision of equitable, effective and efficient agriculture, conservation and environmental services to the people of the North West Province".

Though both strategic plan documents are grounded in sustainable development, the difference between them lies in the following:

- the first mission statement positions the Department as a facilitator in development;
- the second mission statement recognises that while the Department needs other partners in order to deliver services, the Department positions itself as a catalyst for change and a lead organisation in the delivery of these services (the DACE Strategic Plan Document, 2005); and
- the first strategic plan document is vague in terms of measurable objectives and performance measure indicators that refer directly to the LRAD programme.

The DACE has, since the financial year 2001/02, been constituted as an amalgamation of functions. In the 2001/02 financial year, the core functions of the Department were agriculture, conservation and environment (the DACE annual report, 2001/02). The mission of the Department, which was phrased to accommodate the three functions, was coined as:

- "to provide services towards sustainable natural resource management in support of a better life for all in the North West Province" (the DACE annual report, 2001/02).

The mission statements for the subsequent financial years were also an attempt to accommodate all the functions into one mission statement, with the only difference being a matter of emphasis on certain issues as follows:

- emphasis on creating a conducive climate for sustainable development in the 2003/04, 2004/05 and 2005/06 financial years (the DACE annual report, 2003/04; the DACE annual report, 2005/06; the DACE strategic plan document 2004/05 to 2006/07); and
- emphasis on equity, effectiveness and efficiency in the provision of services, during the 2006/07 financial year (the DACE annual report, 2006/07).

During the 2003/04 financial year, the tourism function was added to the DACE, making four the number of functions that the Department had to execute and co-ordinate internally. The tourism function was with effect from the 2005/06 financial year no longer a part of the Department's responsibilities (the DACE Five Year Strategic Plan and Annual Performance Plan, 2005/2010).

The performance measures for the DACE were discerned from the annual reports (in the case of strategic plan documents not being available), and from the strategic plan documents themselves. The 2002/03 annual report puts emphasis on farmer settlement in partnership with other stakeholders, where agricultural production would be involved. This performance measure deals with the second batch of performance measures by the NWPLRO as described above. In the 2003/04 annual report, focus was on identifying, surveying, planning and disposal of land in support of the LRAD programme. This strategic objective deals with the first batch of performance measures by the NWPLRO.

The 2005/2010 strategic plan puts as the strategic objective provision of training and co-ordination of the LRAD programme, and the following performance measures:

- number of LLRC and PGC reports; and
- number of LRAD projects established.

The training aspect deals with the second batch of performance measures by the NWPLRO. The co-ordination aspect deals with all sets of performance measures by the NWPLRO, while the number of LRAD projects established seems to be more about post-transfer support of approved projects.

The DACE had a directorate dealing with all aspects of land administration. The broad responsibilities of this directorate in terms of support to land reform beneficiaries are listed below:

- pre- and post-settlement support for land reform beneficiaries; and
- implementation of the LRAD programme.

It was only with effect from the 2004/05 financial year that the DACE provided strategic objectives in the strategic plans, which responded directly to the LRAD programme as exemplified by the following:

- implement LRAD to land disposal beneficiaries (the DACE annual report, 2004/05);
- number of applications facilitated to the PGC for processing (the DACE annual report, 2004/05);
- number of applications facilitated to the Provincial State Land Disposal Committee (the DACE annual report, 2004/05);
- facilitate the provision of business and farm planning support to LRAD and other land disposal beneficiaries (the DACE annual report, 2004/05);
- pre-feasibility assessment of LRAD applications received (the DACE annual report, 2004/05);
- number of LRAD projects established (the DACE annual reports, 2005/06, 2006/07);
- number of projects assisted (the DACE annual report, 2005/06);
- number of farming communities supported (the DACE annual report, 2005/06);

- number of farmers supported (the DACE annual report, 2005/06);
- hectares of land involved in farming communities (the DACE annual report, 2005/06);
- hectares of state (power of attorney) land involved (the DACE annual report, 2005/06);
- LLRC and PGC reports (the DACE annual report, 2006/07);
- number of hectares of communal land planned (the DACE annual report, 2006/07);
- number of hectares of state land planned for redistribution (the DACE annual report, 2006/07); and
- number of hectares of land planned for disposal under LRAD (the DACE annual report, 2006/07).

In the majority of the strategic objectives, the DACE had planned to play a supporting role, in the processing of LRAD applications as well as in the provision of post-transfer support to the beneficiaries of the programme. Some of the strategic objectives targeted the actual number of projects established as well as hectares of agricultural land redistributed, which is the same as what the NWPLRO had planned to do as reflected in its strategic objectives. In the main, the DACE was clear about its role pertaining to the administration of the LRAD programme. However, the fact that there sometimes was duplication of functional responsibilities between the DACE and the NWPLRO implies that the DACE management was not entirely certain of its roles and responsibilities with regard to the administration of the LRAD programme.

6.8 PERFORMANCE OUTPUTS IN TERMS OF THE LRAD PROGRAMME

Effectiveness is when "…the agency performs well in discharging its administrative and operational functions pursuant to the mission" (Rainey & Steinbauer, 1999:13). The relevance of the definition by Rainey and Steinbauer (1999:13) to LRAD programme administration is in terms of:
- whether the NWPLRO and the DACE performed well what they were supposed to do;
- whether employees performed their duties well; and

- whether the processes, procedures and actions of the NWPLRO and the DACE supported the attainment of the strategic goals and objectives for LRAD programme administration.

One of the models used for conceptualising organisational effectiveness is the internal process model, which perceives effectiveness in terms of the extent to which internal processes and procedures support the achievement of organisational goals (Daft & Rainey in Rainey & Steinbauer, 1999:13). Performance in terms of achievement of LRAD programme targets is an indirect measure of the effectiveness of administrative systems put in place to effect programme administration. The three measures that will be considered below are project turnaround, number of hectares transferred and number of projects approved.

6.8.1 Projects approved by the Provincial Grant Committee but not transferred

A number of projects were approved by the NWPLRO in the preceding financial year but not transferred. These were transferred in the following financial year. This delay impacts negatively on the achievement of the NWPLRO strategic objective of the number of hectares transferred, and on the effectiveness of LRAD programme administration. To demonstrate this fact, data from the 2004/05 and 2005/06 financial years was used, where of the 46 projects transferred in the 2005/06 financial year and totalling 38 853 hectares, 30 of them, totalling 25 813 hectares or 66,4% of total area transferred, emanated from projects that were approved in the 2004/05 financial year but were not transferred.

The above situation could have been caused by a number of factors, which will be outlined below, but it is argued that the preferred situation is to have approximately 75% of projects transferred in a given financial year emanating from projects approved by the PGC in that financial year, with the remaining 25% emanating from projects approved during January and March of each financial year. However, given that the LRAD programme is demand driven, the number and time of submission of projects to the PGC for approval cannot be pre-determined with accuracy.

Information on the number of projects approved by the PGC, and not transferred, was only obtainable for the financial years 2004/05 till 2006/07, and appears as follows:

- 44 projects were approved in the 20004/05 financial year, but not transferred, totalling 39 669 hectares;
- 18 projects were approved in the 2005/06 financial year, but not transferred, totalling 431 hectares; and
- 16 projects were approved in the 2006/07 financial year, but not transferred, totalling 5137 hectares.

The above information indicates the following:

- that some LRAD projects approved in one financial year are carried over to the next financial year;
- that some of these projects were approved during the January to March period, which is towards the end of the financial year, as such they will be transferred in the next financial year;
- that other projects are transferred in the next financial year due to the fact that it takes a long time (i.e. more than the benchmark period of three months as set by the NWPLRO) to get them approved, which is an indication of the inefficiency and ineffectiveness of the administrative systems; and
- the effectiveness of the North West Province in terms of LRAD administration is, among others, affected by the number of projects approved and transferred within a given financial year, i.e. the more projects are transferred within the financial year in which they were approved, the more effective is the administration of the LRAD programme.

6.8.2 Project turnaround time

Project turnaround time refers to the time it takes for an application to be either approved by the PGC or transferred to the beneficiaries. The NWPLRO database of projects was used to select projects for inclusion in the analysis. Projects that were used in the analysis were those which had all the correct information pertaining to:

- date of submission of application by applicant;
- date when the PGC approved the application; and
- date when transfer took effect.

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Due to the fact that quite a number of projects in the database had either incomplete or incorrect information, this reduced the number of projects that could be used in the analysis as well as the possibility of doing sampling. The following criterion was used to select projects to be used to compile information as indicated in Table 6.6. A distinction has been made between projects that were processed through the Land Bank administration route, and those processed through the NWPLRO administration route.

Two phases for processing applications were used instead of three. Phase 1 starts when an applicant lodges an application with the District Land Reform Office (DLRO), and ends at the stage where a recommendation is made by the DLRC to the PGC. Phase 2 is the stage after recommendation of an application by the DLRC and its approval by the PGC. Phases 1 and 2 were combined into one phase broadly called the project approval phase, to determine whether there was adherence to the standard set by the NWPLRO of approving applications within 90 calendar days. The last phase is the period between approval of an application by the PGC, and transfer of the property at deeds office. From the list of projects that met the criteria, the average project turnaround is as reflected in Table 6.6.

Table 6.6: Average project turnaround time (calendar days) for LRAD projects in the North West Province

LRAD programme administration route	No. of projects	Average turnaround time (calendar days) Approval phase	No. of projects	Average turnaround time (calendar days) Transfer phase
Projects approved through the LAND Bank administration route	n=25	68	n=27	188
Projects approved through the NWPLRO administration route	n=47	192	n=108	135
Total number of projects analysed	72	-	135	-
Average turnaround (calendar days) for all projects sampled	-	130	-	162

According to the information in Table 6.6, the period between approval by PGC and transfer of the project is the longest. The average turnaround time was to some extent influenced by extreme figures of one or two projects that took a long time before they could be transferred. However, due to the big size of the sample (33% in the case of project approval phase, and 62% in the case of the project transfer phase), the effect of extreme figures has been minimised.

Project turnaround time can be impacted by the following factors:
- state of readiness of the applicant in terms of having identified a suitable farm to purchase;
- negotiation process between the buyer and seller;
- availability of own contribution, e.g. loan funding (this is subject to a separate screening process by financial institutions over which the NWPLRO does not have control);
- group dynamics between applicants within a group or legal entity;
- support from other institutions in terms of farm assessment, feasibility report and business plan development;
- administrative capacity in terms of:
    o number of technical staff;
    o ability of planners to negotiate with land owners on land price; and
    o technical ability of planners to prepare and present project submissions in line with official procedure;
- availability of planning grant (which determines how soon a valuation report can be made available to use as a tool during the farm price negotiation process, but also to fund the formation of legal entities).

6.8.3 Number of hectares of land transferred

The number of hectares of land transferred gives an indication of how far the NWPLRO is from reaching the target of transferring 30% of White-owned agricultural land. It also indicates how fast it should move, in the event where it is behind target. The information on hectares targeted for transfer, actually transferred, number of projects transferred and budget performance was obtained from the operational plans and annual reports of the NWPLRO. In addition to information provided by the NWPLRO, the DLA annual reports

were also referred to, to ensure that there is agreement between the NWPLRO reports and national reports published by the DLA.

The NWPLRO could not furnish the operational plans for the financial years 2001/02 and 2002/03, hence no information could be provided in terms of land redistribution targets for these financial years. The information on land redistribution as provided in Table 6.7 was obtained from extracts of the NWPLRO annual reports prepared by the PISU.

Table 6.7: Number of hectares of land transferred by the North West Province through the LRAD programme- 2001/02 to 2006/07

Financial Year	Number of hectares planned for transfer	Total number of hectares transferred for all programmes (i.e. LRAD, ESTA, SLAG, Commonage, PLAS)	Total number of hectares of agricultural land transferred under LRAD, SLAG, PLAS, Commonage (i.e. excluding tenure security or ESTA programme)	Number of hectares of agricultural land transferred under the LRAD programme	Hectares of agricultural land transferred through LRAD as a % of agricultural land transferred through all redistribution programmes (i.e. value in column 5/value in column 4X100)
1	2	3	4	5	6
2001/02	-	7761.7953	7512.8474	947.8992	13
2002/03	-	30 440.2818	30 440.2818	25 692.0162	84
2003/04	10325.0000	26973.9986	26 365.1416	26 365.1416	100
2004/05	16700.0000	26 589.0000	26 589.0000	24 445.0000	92
2005/06	30245.0000	41 334.3710	40 617.5410	38853.5996	96
2006/07	32970.8263	41 137.1823	40 755.9738	14531.3729	36
TOTAL	-	174 236.6290	172 655.9941	130 835.0295	76

The number of hectares planned for transfer as reflected in Table 6.7, does not represent the actual number to be transferred by the North West Province, if its

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contribution to the national target of 30% of White-owned agricultural land transferred is to be achieved by March 2014. In the NWPLRO operational plan of 2006/07 financial year, it was remarked that these are "realistic figures as given by District offices". It will become clearer in the discussion that follows whether targets for the NWPLRO were realistic, or that they should have gone for higher targets.

The NWPLRO provides the following information in the implementation strategy document for the 2003/04 financial year:

- The estimated size of White-owned land in the North West Province is 6 785 600 hectares, 30% of which is 2 035 680 hectares.
- From the above figure, 172 656 hectares of agricultural land already transferred through land redistribution programmes (i.e. total for column 4 in Table 6.7) up until March 2007 is deducted, and 1 863 024 hectares had to be delivered over the remaining seven financial years up until March 2014.
- When compared with the average annual transfer of 28 776 hectares between the 2001/02 and 2006/07 financial years, this translates into an annual target increase of 825%, or additional 237 370 hectares of agricultural land to be transferred annually (i.e. additional to the 28 776 hectares the province has on average transferred annually since 2001) by the North West Province in order to reach the target of 2 035 680 hectares transferred by March 2014.
- The transfer of agricultural land through the LRAD programme gained momentum from the 2002/03 financial year. Since the financial year 2002/03, the LRAD programme has been the main programme through which agricultural land was transferred, where it accounted on average for 76% of all agricultural land redistributed. It was only in the 2006/07 financial year that there was a reduction in the number of hectares of agricultural land transferred through the LRAD programme. The reason for this is that the Government introduced in the 2006/07 financial year a state-led land redistribution programme called Proactive Land Acquisition Strategy (PLAS).

The fact that the PLAS programme contributed 63% of all agricultural land (including game farming) redistributed by the North West Province in the financial year 2006/07, signifies:

- o a shift in land reform policy and allocation of resources towards the land reform programme; and
- o a focus by the Government on both market- and state-led programmes as was the case in Brazil and the Philippines.

The data in Table 6.7 indicate that even though the NWPLRO seems to have been performing well in terms of achieving annual land redistribution targets, it will not be in a position to reach the 30% target by March 2014. Given the foregoing statement about the performance of the NWPLRO, cognisance should be taken of the following factors which can and will impact on the overall performance of the NWPLRO, namely:

- project turnaround;
- administrative capacity in terms of availability of capital funds; and
- the capacity of the institutional structures for decision-making structures to function as planned (this is influenced by support provided by other organisations, in terms of making staff available to provide technical opinion on feasibility and viability of projects, as well as adjudicate projects based on LRAD programme criteria)

6.8.4 Defining features of an effectively administered LRAD programme

A *feature* refers to a distinct part or quality, a significant phenomenon that attracts attention (The World Book Dictionary: 1993). Cloete (1994:57) identified a variety of administrative functions that functionaries in the executive institutions perform when they give effect to administration of government policy. These functions are classified as generic administrative and managerial, auxiliary, instrumental, and functional. The respondents, who are responsible for policy implementation, were requested to articulate what they themselves perceive to be the key defining features of a well-administered LRAD programme in its broadest sense. A follow-up question was to narrow their views to the North West Province situation, by identifying critical factors for effective administration of the LRAD programme in the North West Province, thus what were those that must be in place in order for the broad goals and objectives of the LRAD

programme to be realised by the North West Province, but are in short supply or could not be provided.

Table 6.8: Critical factors for effective LRAD programme administration as perceived by respondents (n=8)

Key defining features of a well-administered LRAD programme	Critical factors for effective administration of the LRAD programme in the North West Province
Responses from the NWPLRO	**Responses from the NWPLRO**
Dissemination of policy information Better understanding by applicants of the programme as well as their responsibilities (marketing the policy). **Policy content** Clear selection criteria being in place (policy review). **Project design** Proper planning to be in place. **Programme co-ordination** Key stakeholders being involved. **Programme effectiveness** Implementation complies with policy. Targets being met in terms of hectares transferred and budget spent. **Post-transfer support** Sustainable projects in place where beneficiaries are able to stand on their own.	**Resourcing the programme** Proper funding of the programme **Policy content** Selection of participants is dealt with (through policy review). **Programme co-ordination** Involvement of key stakeholders both with regard to human resources as well as financially Alignment of systems between implementing government institutions **Project design** Proper designing of projects. **Post-transfer support** Improved post-settlement/transfer support The marketing aspect of projects is dealt with Sustainability of projects is dealt with On-going training of beneficiaries **Participation by clients** Beneficiaries demonstrating passion for their projects.
Responses from the DACE	**Responses from the DACE**
Participation by clients Good participation of beneficiaries. **Post-transfer support** Sustainability of projects.	**Project design** Resolving the composition and size of beneficiary groups as these impact on project sustainability.

	Policy content
	Resolving the LRAD grant structure so as to minimise the amount of loan component required to leverage grant funds.
	Programme co-ordination
	Having better co-ordination of planning and implementation with the PLRO.

According to Table 6.8, the common themes emerging from respondents of both the NWPLRO and DACE, and which were identified for both the defining features and critical factors for LRAD programme administration, are as follows:

Policy content:

- resolving the LRAD grant structure to minimise the amount of the loan component required to supplement grant funds, which entails increasing the budget for land redistribution, an issue that has been raised by respondents and coded under resourcing the programme, and
- having clearly defined selection criteria in place, which may not be a valid request due to the fact that in demand-led land reform programmes, beneficiaries are not selected by government officials.

Programme co-ordination:

- having better co-ordination of LRAD administration between the DACE and the NWPLRO;
- involvement of key stakeholders, to ensure provision of human and financial resources; and
- alignment of administrative systems between government institutions.

Participation by clients:

- effective participation of beneficiaries, who are co-designers of LRAD projects; and
- beneficiaries demonstrating passion for their projects, once these have been transferred to them.

Project design:

- the composition and size of beneficiary groups are resolved, as these impact on project sustainability;
- proper designing of projects to be done; and
- proper planning of projects is in place.

Post-transfer support:

- sustainability of projects is improved, to ensure that beneficiaries become self-reliant;
- improved post-settlement/transfer support;
- the marketing aspect of projects is dealt with; and
- on-going training of beneficiaries is dealt with.

Thus it could be deduced that for effective administration of the LRAD programme to take place, the Government must provide a conducive policy environment. Government as well as non-government institutions must also effectively co-ordinate their implementation efforts to ensure effective pre- and post-transfer support to beneficiaries of the programme.

6.8.5 Policy-related constraints towards LRAD programme administration

The respondents from the NWPLRO cited the following problems pertaining to the content of the programme:

a) **Targets set**

Targets set for land redistribution seem to be overambitious, given the problems encountered during administering the LRAD programme, hence the perception that the NWPLRO annual land redistribution targets were realistic. The administrative challenges are discussed below, as well as in other sections dealing with organising, financing, staffing, work methods and procedures, and control.

In their discussion of the psychological and cognitive processes involved when public officials interpret public policy (i.e. perceived as an external stimulus to

which they must respond), Spillane *et al*. (2002:392-421) maintain that officials can give selective attention or modify policies to make them fit with the agendas and interests of organisations that they manage. In the above context the NWPLRO respondents are of the view that the 30% land redistribution target does not relate to the realities of the administrative challenges they encountered as officials. The discussion above on the actual performance of the NWPLRO shows that the 30% land redistribution target set for March 2014 may not be realised if these administrative challenges were not dealt with.

b) Land redistribution sustainability

Land redistribution targets are not only about purchasing and distributing land, but also about creating sustainable projects. According to the White Paper on Land Policy (1995), projects planned at local sphere must be economically viable, but the economic benefits should not be pursued at the expense of environmental degradation.

The challenge as articulated by respondents and raised in the land policy is for institutions that are administering the LRAD programme to reconcile and integrate policy objectives. This specifically entails reconciling the primary mandate of the NWPLRO pertaining to area of agricultural land transferred, and number of beneficiaries assisted, with the primary mandate of the DACE, which entails creating sustainable agricultural projects.

The importance of integrating land provision and post-transfer support strategic objectives is recognised in the explanatory notes on Division of Revenue Act (National Treasury, 2004:268). These notes state with regard to CASP, that "increasing access to agricultural services (i.e. support rendered by the DACE) to these farmers (i.e. land reform beneficiaries) is critical for the performance of the land reform programme, especially LRAD".

The pursuit of the targets, of merely the number of hectares transferred and the number of beneficiaries assisted, which the NWPLRO can achieve with or

without the input of the DACE, if done without integrating the sustainable development factors can result in the following unintended consequences:

- some LRAD projects not receiving adequate post-transfer funding;
- some LRAD projects not receiving CASP funding from the DACE;
- the DACE having to deal with some LRAD projects that are unsustainable, and which they must fund in subsequent financial years to make them sustainable or to revive after they had collapsed, of which, given the fact that primary agricultural production is one of the core functions of the DACE, LRAD projects that collapse or are unsustainable do not only reflect negatively on the land redistribution programme, but also on the capacity of the DACE to execute its core functions; and
- the relegation of the strategic objective of sustainable development (which is core to the DACE mission) to a lower and insignificant level, which has a potential to result in a lack of co-operation between the DACE and the NWPLRO if not managed properly through intergovernmental structures for policy co-ordination.

Some of the problems associated with establishing and sustaining policy administration networks are:

- perceptions of erosion of managerial or decision-making autonomy (Shermerhorn, 1975:849);
- conflicting stakeholder interests; and
- corrosion of organisational identity and strategic role and position (Shermerhorn, 1975:849).

c) Grant structure

The grant structure benefits people who can make a greater own contribution. The greater the own contribution, the more the grant funds received per individual, up to a maximum of R100 000 per person. Poor people do not have sufficient resources to contribute in cash and in kind. They are sometimes compelled by circumstances to constitute themselves into big groups of somewhat less homogenous nature in order to pool resources required to access the LRAD grant, or loan funding used to supplement grant funding.

The respondents suggested that the policy is not pro-poor as it is expected, and that it does not adequately support people who are poor and vulnerable. Though a socio-economic assessment of the LRAD programme beneficiaries was not conducted, what sets poor people on an unequal footing to those who are financially well off is the fact that they do not have sufficient financial and physical assets making it:

- difficult for them to qualify for the maximum LRAD grant (i.e. R100 000/individual) since qualification for the grant is linked to own contribution (LRAD Policy Framework, 2001:7);
- difficult for them to secure loan funding; and
- difficult for their projects to become sustainable during the post-transfer stage unless they receive post-settlement grant funding.

The respondents questioned the validity of the basic assumptions underlying the design of policy instruments for the LRAD programme, which are informed by capacity constraints perceived to impede potential LRAD programme beneficiaries, as Lascoumes & Le Gales (2007:5) and Runhaar *et al*. (2006:37) have argued earlier. Respondents also proposed a policy review in the light of their experience of how a lack of resources prevent individuals, groups and organisations from making decisions or taking action that will lead to the realisation of the LRAD programme goals, namely purchasing of farms and sustaining them.

d) Managerial support

Less skilled officials were sometimes left to their own devices, and this at times resulted in inconsistent interpretation of policy during implementation. It was discussed in table 6.5 that the NWPLRO respondents expect management to remove cognitive obstacles pertaining to interpretation of policy, especially when a policy was new and had not been institutionalised. This expectation of the role of management is consistent with the Weberian bureaucratic mode which, when grappling with the perceptions of too loose an interpretation of policy, relies on the logic of a bureaucratic structure, whereby those in authority of organisations are assumed to have the knowledge to develop the means to carry out the mandate of the political principals, as well as the authority to ensure uniform administration of the directives from above (Ryan, 1999:38-39).

Managers are expected to develop a sound and structured policy administration process, which serves as a link between LRAD programme expectations and outcomes, and through which the probability of achieving the outputs and outcomes as conceptualised in the policy content will be increased (Ethridge & Percy, 1993:343). Though the above expectation of the role of management as described by respondents is justified in the context of the LRAD programme, the conception of public policy as an external stimulus which must be responded to, consistent with the expectations of the political as well as administrative executives, fails to take into account the complex environment that public officials operate in as described by Lipsky (in Dicke, 2004:233), which cannot be reduced to programmed decisions all the time, especially where they administer development oriented policies such as the LRAD programme. Where procedures must be developed to ensure that legality and legitimacy is given to the actions undertaken by public servants, that members of the public receive equal treatment and that there is co-ordination of work towards a common goal (Botes *et al*., 1992:332; Cloete, 1994:194-195), they cannot anticipate all possible situations which the public servants will encounter pertaining to the policy.

In spite of how well structured the process of LRAD programme administration can be, there will always be what is perceived to be loose interpretation of policy. This is a result of the inability by management to develop failure-proof administrative procedures, and of public officials exercising their will and using their interpretive abilities to define what the policy and the procedures mean to them in the context of their organisational environment, thus in the process creating policy (i.e. through their practices) as it is implemented.

e) Commitment

There is a lack of commitment higher up in the hierarchy (from the political to the administrative level). *Commitment* has been defined before to mean "an ability to maintain the focus on an initiative from its inception through to its delivery" (Brynard, 2009:561). In the opinion of respondents, lack of commitment is manifested by management and political incumbents taking their own time to deal with issues and challenges raised by lower-level staff, thus impacting negatively on the work of

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implementers. An example is the constraint reported by the NWPLRO of lack of integration between CASP of the DACE and the LRAD programme, which has remained un-resolved.

The respondents from the DACE identified the following constraints:

i.   Communication

Communication is poor within the organisation. At the operational level, communication plays a critical role in every activity that is undertaken by the management of an institution. At the strategic level, it plays an instrumental role in the administration of government policies.

ii.   Commitment

Management lacks commitment to the land reform initiatives of the Government. One respondent from the DACE remarked as follows with regard commitment: "There is no proper commitment from the DACE towards land reform in terms of perceiving it also as a mandate for the department. It has always been seen as DLA mandate, and there is not much effort to contribute towards the 2014 targets. There are so many challenges with land reform, but there is no commitment from DACE towards land reform. It is only now that district managers are referring to land reform now that there are going to be Land and Agrarian Committees but all these years it was somebody else's responsibility, land is not their mandate, their mandate is agriculture. But once someone in a leadership position can argue convincingly to say that this is our government, this is land affairs, we are dealing with agricultural land, we have to ensure that there is production on that land, maybe they can become more committed. Management of the department has never been committed." Another respondent when asked to identify constraints, also emphasised the fact that land reform is being seen as a mandate of other departments with the following remark "it comes back to it [LRAD] being seen as a programme of other departments. If the policy could be redrafted where the NWPLRO, DACE, and Land Bank could be seen as equal players in LRAD implementation, the turn-around time could be faster". According to the respondents from the DACE, the problem of lack of

commitment is due to the failure by management to fully appreciate the role played by their institution in the land reform programmes of the Government, which they manifest in their narrow interpretation that the role of their institution is agriculture and not land reform.

Ineffective administration of the LRAD programme can be due to failure by public officials to notice (i.e. ineffective interpretation of policy) the relationship between the programme and their organisation's mission (Spillane *et al.*, 2002:392-421). Provincial departments of agriculture were consulted in the design of the LRAD programme (LRAD Policy Framework, 2001:6), and the heads of department of the DACE participated regularly in the ITCAL committees of the Ministry for Agriculture and Land Affairs where agriculture and land policies were discussed. However, these consultative efforts do not mean that the LRAD programme will be incorporated into the mission of government departments tasked with the responsibility of administering the programme.

Officials can give selective attention or modify policies to make them fit with the agendas and interests of organisations that they manage (Spillane *et al.*, 2002:392-421). In line with the New Public Management approach (Christensen & Laegreid, 2001:79), the tenure of office as well as performance management of government's senior management of the Government is contract based, and is informed by the underlying assumptions behind the principal-agent theory as described by Box (1999:28).

One of the strategic performance indicators by which DACE management's performance is measured is in terms of the ability of the Department to spend the conditional and equitable share grant funds allocated to the Department by the DOA and provincial legislature. Given the views by Spillane *et al.* (2002:392-421) above, DACE management should, when committing resources towards the LRAD programme, be mindful of the current and potential interests of the Department, one of which is its ability to spend grant funds allocated to it for the execution of its functions.

Performance contracts can promote the check-list' mentality (i.e. the attitude whereby managers feel that if certain responsibilities do not form part of their performance targets they will not perform them even though such responsibilities are critical for promoting the general welfare of society). Senior management of the DACE can put less effort into the LRAD programme if joint administration of the programme does not form a part of the performance targets. Performance contracts can also promote the pursuit of self-interest (i.e. pursuit of individual or organisational performance targets which are incentive based) at the expense of collective interest (e.g. failure to co-operate with other officials or organisations for the joint achievement of collective objectives of government) thus senior management of the DACE could pursue the expenditure targets in respect of the CASP programme and other conditional grants, as well as equitable share grant funds, because performance in this regard is directly associated with performance incentives that are a part of their performance contracts (Christensen & Laegreid, 2001:86).

Ineffective administration can also result due to public officials ignoring the LRAD programme (Firestone in Spillane *et al.*, 2002:390-391). Ignoring the LRAD programme could be explained by reasons of self-interest as described above. It could also be due to other reasons such as where public officials allow their political beliefs to cloud their judgement, as well as compromise their ethics as public servants with specific reference to loyalty to the land reform policies of the government of the day. Ignoring the LRAD programme can be glaringly visible, but can also be done in a subtle manner whereby an organisation assumes symbolic postures (i.e. pretending that it fully co-operates with other institutions) as a way of seeking legitimacy and acceptance from external constituents (e.g. providers of funds such as national Government or the legislature), by behaving in a manner that shows that they are in agreement with their norms, rules, and expectations (Oliver in Broom *et al.*, 1997:90-91)

Officials can also inhibit the flow of political, financial, managerial and technical resources, resulting in ineffective administration of the LRAD programme (Brynard, 2007:36). Delaying the flow of resources for the LRAD programme could also arise out of necessity by management to ensure that the organisation uses whatever meagre resources at its disposal to ensure that the primary mandate of the

organisation receives first priority above mandates that must be executed in collaboration with other institutions. Characteristics or factors within an organisation (e.g. the administrative capacity of an organisation to execute its core functions) can be used as a predictor variable to determine its predisposition to co-operate with others (Shermerhorn, 1975:850). However, organisational action by members participating in goal-directed networks based on policy domain similarity or goal consensus (such as is the case with the LRAD programme) is not only driven by narrow individual organisational goals, but also by network-level goals (e.g. the need to reduce competition and conflict among members, improved client service, attracting network-wide funding and other critical resources for the programme) (Provan & Kennis, 2007:239).

c) Participation of stakeholders

Stakeholders involved in administering the LRAD programme do not participate as equal partners, hence a lack of commitment from the side of the DACE. Intergovernmental relations require of co-operating government institutions to recognise their interdependency in the formulation and implementation of the LRAD programme, and to capacitate one another by way of sharing resources and information that are crucial for the administration of the programme (Fox & Meyer in Fox & Van Rooyen, 2004:100).

6.8.6 Measures perceived to have facilitated effective administration of the LRAD programme

The following measures are perceived to have facilitated effective administration of the programme.

The responses from the NWPLRO are as follows:

a) Land redistribution targets

Having a clear mandate in terms of targets for land to be redistributed, is a positive factor. This facilitated better planning by the NWPLRO. However, what complicates

planning is the fact that the LRAD programme is implemented in a complex intergovernmental context, which requires intergovernmental co-ordinating mechanisms to be put in place (Brynard, 2009:565; Smith *et al*., Campbell & Szablowski, Mayntz, Rogers & Whetton, in Howlett & Ramesh, 2003:191).

b) Participation of clients

The respondents are of the view that since the programme was designed to be demand driven, the response of clients has been positive especially starting from the 2001/02 financial year when there was intensive engagement of the public about the contents of the programme. The LRAD programme was designed such that clients take part in policy implementation through co-production during the policy implementation process; hence their response was critical to the success of the programme (O'Toole, 2000:266).

6.9 ORGANISING

Cloete (1994:124) defines *organising* as the "…classifying and grouping functions as well as allocating the groups of functions to institutions and workers in an orderly pattern so that everything the workers do will be aimed at achieving predetermined objectives". The predetermined objectives for the LRAD programme as discussed in the preceding section can be achieved if there is effective organising by those managers assigned the responsibility of administering the programme.

6.9.1 Expectations of the role of public managers pertaining to execution of organising functions

The understanding of respondents pertaining to organising the LRAD programme was established through open-ended questions, whereby they were asked to indicate their expectations of the role that the public managers should play in administering the LRAD programme, and secondly, the role that they themselves actually played in administering the programme. Their responses were thus coded in terms of those that specifically related to the organising functions, and are presented in Table 6.9.

Table 6.9: Programme organising roles as perceived by respondents

Expectations by respondents of the roles of public managers	Roles that respondents say they play
Responses by the PLRO respondents	Responses by the PLRO respondents
Programme co-ordination Providing support in terms of: • programme co-ordination by involving other stakeholders; • clarifying very clearly what the role of stakeholders is supposed to be; and • aligning internal systems with those of other sister departments.	None of the respondents mentioned actual roles played in terms of organising
Responses by the DACE respondents	Responses by the DACE respondents
Programme co-ordination Co-ordination that entails involving stakeholders as well as developing very strong communication linkages with them To develop a strategy on how the programme should be jointly implemented from the application stage up until the post-settlement stage To outline institutional arrangements as well as implementation responsibilities among stakeholders To know who is going to get land where and align CASP funds to support each and every approved LRAD project.	**Programme coordination** Co-ordination of all activities of business plan development for new LRAD project submissions and prioritization together with the DLA Ensuring that LRAD projects, which have been appraised and approved, are captured (budgeted for) in the following financial year.

According to Table 6.9, the respondents elevated the programme co-ordination role above all the organising roles that the public managers of both the NWPLRO and the DACE should play in LRAD administration. Co-ordination is a continuum whereby programmes can be regarded as having been well co-ordinated based on the extent to which they achieve certain desired ends (Peters, 1995:297).

The common issues emerging from both sets of respondents are as follows:

- linking up with, and involving all stakeholders who have a role to play (directly or indirectly) in LRAD programme administration;
- clarification of roles that each stakeholder organisation is expected to play in LRAD programme administration;
- alignment of administrative systems and procedures among institutions that are administering the programme; and
- development of structures and processes for interorganisational administration of the programme.

The following section presents the institutional structures for administration of the LRAD programme in the North West Province.

6.9.2 Institutional structures for LRAD programme administration

The LRAD programme was designed to be administered by a number of institutions namely:

- the NWPLRO;
- the DACE; and
- municipalities.

The institutional structures as developed by the PGC in the North West Province are presented in Appendices 1 to 3. These diagrams illustrate the institutional mechanisms through which approval of LRAD projects takes place. The various committees as depicted in Appendices 1 to 3 do not only deal with redistribution projects, but also with tenure reform projects.

The LRAD Policy Framework (2001) explicitly makes provision for the establishment of the PGC to consider and either approve or disapprove LRAD applications. However, the LRAD Implementation Manual (2004) makes provision for the District Screening Committee (DSC) and the PGC.

The composition of the PGC in the North West Province is as outlined below:

- a senior official from the NWPLRO (chief director and chairperson), plus two nominated additional members from the PLRO (3);
- two officials from the DACE (2);
- one official from the DOA (1);
- one official from the Department of Developmental Local Government and Housing (1);
- one official from the Local Land Reform Co-ordinating Committee/District Screening (1);
- two officials from the Land Bank (2);
- one official from each financial institution (e.g. FNB, Standard Bank, ABSA);
- one official from the Department of Water Affairs and Forestry (1);
- one official from the national Department of Public Works (1); and
- one official from the Provincial Department of Public Works (1).

The functions of the PGC are as follows:

- to approve and disapprove projects and to release grants in terms of The Provision of Land and Assistance Act (126/1993);
- to set norms and standards for project approval and review them regularly;
- to monitor and evaluate the programme and budget;
- to motivate for increases in budget allocation;
- to provide quarterly progress reports to the MEC of the DACE (as chairperson of the Provincial Land Reform Co-ordinating Committee);
- to facilitate the alignment of land reform grants (e.g. LRAD, CASP and post-settlement) and other resources of relevant government departments;
- to facilitate and align the project approval process of loan component applications with those of non-loan components;
- to make input into national and provincial land reform policy formulation and review processes; and
- to serve as a dispute resolution and final decision-making body in the event that the District Screening Committee or Local Land Reform Co-ordinating Committee cannot reach consensus on the merits of a project.

Public officials develop a social structure for policy administration which may not be consistent with the management mandate or official rules, but is manifested in the practices which they undertake as well as the meanings they attach to these practices (Sandfort, 2000:742). This structure is internalised, institutionalised and transformed by constantly negotiating and renegotiating its meaning depending on factors such as the content of the policy, the ambiguous nature of the policy and availability as well as distribution of resources.

The composition of the PGC as reflected above does not reflect how the PGC was constituted when it was established initially, but what it has evolved into with the passage of time as a result of the need to make it much more functional. Governability balances the need for society to be governed in the direction that solves a socio-political problem such as land redistribution, with the capacity required to govern the socio-political problem (Kooiman, 1994:43). Positive outcomes (i.e. in terms of the effectiveness of institutional arrangements) can lead to the re-enforcement of existing institutional arrangements to deal with a particular exogenous variable, while negative consequences may result in participants re-evaluating the institutional arrangements and effecting changes which might lead to new forms of interactions as well as outcomes (Akinola, 2007:2005).

Though the NWPLRO could not indicate when the above terms of reference were developed, there are striking similarities between these terms of reference and the terms of reference for the PGC as outlined in the LRAD Implementation Manual (2004). It can be concluded that the NWPLRO terms of reference as presented above were largely informed by the LRAD Implementation Manual (2004), and were adapted to take cognisance of the LRAD programme administration challenges in the North West Province. The other factor supporting the contention of the evolution of the role and composition of the PGC in the North West Province, is derived from the views of the respondents that institutions such as the Department of Water Affairs and Forestry should play an important role in the institutional arrangements for LRAD implementation, implying that all along they have not been part of the institutional arrangements. The institutions that have been participating in the North West Province PGC activities have been identified above, a factor that emphasises that the PGC composition as described

above is as it was later, after the PGC review processes, rather than as it was originally envisaged.

The LRAD Policy Framework (2001) assigned various responsibilities to the applicants themselves to ensure that with the support of locally based staff, a coherent submission is made directly to the PGC for approval. For practical reasons, applications could not be sent to the PGC by applicants without first being screened by a sub-committee at the lower level. This necessitated the establishment of the Local Land Reform Committees (LLRC) in local municipalities, and the DLRC at district municipality level to:

- screen and recommend projects for submission to the PGC based on technical and policy compliance aspects; and
- assist the PGC to focus its energy on performing its primary function of reviewing and approving or disapproving submissions.

This aspect will become evident in the section dealing with procedures and work methods, where the decision-making route for processing LRAD applications as manifested in the North West Province will be presented. Planning in terms of preparing the submission for final approval by the PGC, takes place at the local sphere. The DLRC is chaired by the DLRO manager, while the DACE and NWPLRO interchange in providing secretarial support. Officials from municipalities participate in these structures. The LLRCs were in some districts collapsed into one structure, the District Land Reform Project Committee, and performing similar functions, while in other districts the district committee is referred to as the LLRC.

Having outlined the formal structures through which institutional relationships pertaining to LRAD implementation took place, respondents were requested to give their own perceptions by reflecting on the nature of the interactions between different institutions as well as the dependency relationships among them.

6.9.3 Dependency relationships among institutions that administered the LRAD programme

Two or more organisations can engage in inter-organisational relationships and exchange resources amongst each other with a view of achieving objectives unique to each institution, or those to which they contribute jointly towards their achievement (Van de Ven in Broom, *et al*., 1997:90). In the context of the LRAD programme, the relationships are prescribed by policy.

This section will discuss the relationships which the NWPLRO, the DACE and the Land Bank had and which compelled them to co-operate in achieving the goals and objectives of the LRAD programme. The views of respondents were sought by asking them questions (open-ended) about:

- whether there were any dependency relationships;
- the nature of these relationships where they existed; and
- how these relationships enhanced or retarded effective administration of the programme.

The responses were coded into relevant concepts as developed by the researcher and presented below. All five respondents (n=8) from the NWPLRO agreed that the NWPLRO is dependent on other institutions for effective administration of the LRAD programme. The dependency relationships are described below.

6.9.3.1 Project loan funding

The land price was described as a factor that affected sustainability as well as affordability of projects. Given that the grant contribution from the DLA was relatively small in relation to the cost of agricultural land, beneficiaries were forced (by circumstances) to acquire additional finance from the Land Bank in order to purchase farms. Respondents were of the opinion that the NWPLRO depended on the Land Bank to issue loans to LRAD programme beneficiaries for those cases where there was a shortfall in the LRAD programme grant. They pointed out that if beneficiaries cannot access Land Bank funding where it was required, the application might not have been processed further. They emphasised that for a project requiring loan funding to be

approved by the NWPLRO, it had to be approved first by the Land Bank, which used its own approval criteria over which the NWPLRO did not have control. However, they remarked that the Land Bank provided loans based on strict credit criteria, and that beneficiaries had no choice since money needs to be lent before a project can become feasible.

The dependency relationship was further highlighted by indicating that during the planning/design phase an approved Land Bank loan needs to be considered by the NWPLRO as part of own contribution. However, loan approvals sometimes took a long time, for instance, the NWPLRO would realise that a piece of land was expensive, and that the applicant's grant would need to be supplemented by a loan, but then the banks would take their own time, and in the end some of the offers to sell got withdrawn.

6.9.3.2 Project appraisal

The respondents from the NWPLRO were of the view that involving multiple institutions in appraising submissions had merit. This ensured that their contributions had been factored into the design of the project. They felt that if the NWPLRO and other government departments did not consider an application together, the NWPLRO would not be in a position to determine if it was a viable project or not, because for a project to be financed, the envisaged farming operation must demonstrate that it is a good venture. They lamented the unfortunate issue of institutions (the DACE, ESKOM, municipality, even Water Affairs where there is irrigation), which did not come with their own funding, making it difficult for applications to be properly assessed for feasibility and viability. This, in their opinion, resulted in applications being declined simply because there was no proper support for the project in terms of money and other resources.

6.9.3.3 Project design

Besides the issue of financial support, the respondents from the NWPLRO also indicated that the NWPLRO depended on the DACE during the planning/design phase with regard to development of feasibility reports, farm assessment, development of business plans, as well as post-settlement funding since the NWPLRO funds were limited. They explained that before the NWPLRO could approve the transfer of land, it required a

business plan, so it very much depended on the DACE with regard to this aspect. They indicated that if the DACE did not assist with business plans, the NWPLRO could not implement and that a delay from the DACE caused delays on the NWPLRO side and resulted in offers getting withdrawn. However, they mentioned that the DACE had its own short-comings in terms of staff shortages, and that sometimes it took three, four, or even five weeks to get a business plan from the DACE.

6.9.3.4 Training for LRAD programme beneficiaries

The respondents from the NWPLRO were of the opinion that their institution depended on the Department of Labour, because it assisted in providing support in terms of farmer training. The Department of Labour does not do the training, but facilitates the provision thereof by way of making funds available for the appointment of service providers.

Respondents from the DACE were in agreement that their institution was to a particular extent dependent on other institutions to administer its functions in terms of the LRAD programme. They were of the opinion that the DACE could not administer its responsibilities in terms of the programme until the NWPLRO had approved the project. They were of the view that if land had not been accessed or given to the people there was no other way that the DACE could begin administering the agricultural activities within the project. In their view, people had to get ownership of the land before the DACE could come in with agricultural support, and that this entirely depended on the NWPLRO to assist them to buy land.

According to the respondents from the DACE, their institution depended on the NWPLRO to release grant funds to LRAD programme beneficiaries. They argued that in the situation where a project was approved, and there was nothing that the DACE could do to support it by way of putting up the basic infrastructure that needed to be put on the farm, then the balance of the grant from the NWPLRO would be beneficial to the project. One respondent, however, argued that there was not much dependency, but just a mutual relationship between the DACE and the NWPLRO.

6.9.4 Perceived benefits of institutional dependency relationships

The issue of institutional dependency relationships was further probed by asking respondents to describe how the relationships as described above, enhanced the capacity of their own institution to effectively administer the LRAD programme. The respondents from the NWPLRO responded as follows:

6.9.4.1 Project funding

The respondents were of the view that the loan approval from Land Bank gave an indication to the NWPLRO whether a person would be able to buy property or not. It was indicated above that the loan from Land Bank would be approved in principle subject to the final granting of the request for the LRAD programme grant by the NWPLRO, and the loan from the bank would be regarded as own contribution and used by the NWPLRO to calculate the final grant amount. The final grant amount that an applicant qualified for plus the loan from the bank, gave an indication of whether a person or group of applicants would be able to purchase the farm, as well as the balance of grant if the loan component plus grant exceeded the purchase price.

In terms of funding, the respondents indicated that the DACE also made CASP grant funding available to beneficiaries of the LRAD programme. However, one respondent argued that the relationships did not benefit them much, for instance, if the NWPLRO had given people land with the understanding that they will get CASP or Post-Settlement grant funds from the DACE and if they did not, the project would collapse. The foregoing statement about the perceived lack of working together in terms of common projects to be supported by both institutions is an observation, which can be summed up by the response of one respondent who argued that "we did not benefit much, we thought that by now we would have integrated but we are still operating in silos. We give the impression that we are together, so it is definitely not working. We talk of post-settlement support from the DACE, they have their own constraints, have other projects that are not linked to what we are doing, and everyone is consumed by doing his own thing, so to me it is not working yet".

6.9.4.2 Project design

The respondents indicated that they did get business plans though it takes time. However, depending on the relationship that one had with certain officials from the DACE, they would sometimes receive the business plans on time. In certain instances, some projects were implemented faster, where, for example, beneficiaries came with their business plans or where banks assisted by developing them. In spite of the difficulties indicated above in terms of getting business plans developed on time, it was acknowledged by respondents that business plans from the DACE gave the NWPLRO insight into the viability of projects.

The respondents from the DACE were generally of the view that the dependency relationship in terms of the LRAD programme gave them the opportunity to carry out the mandate of technical support to the beneficiaries of the LRAD programme. They perceived land redistribution as an opportunity that broadened their scope of work, in terms of providing technical support to more farmers.

6.9.5 Constraints pertaining to organising for LRAD programme administration

The LRAD programme experienced problems that impacted negatively on its administration. The problems as presented hereunder reflect the views of respondents, and problems as identified in official documents.

The following constraints are perceived by the DACE:

a) Capacity to spend conditional grants

A lack of capacity to spend conditional grants was identified as a problem by the DACE management and the Auditor-General. In the notes to the appropriation statement for the DACE annual report (2005/06 financial year:115), it was remarked that "earmarked (i.e. unconditional grants as appropriated by the Provincial Legislature) and conditional grants were not spent for most of the financial year. The saving resulted since only 29% of the grants were spent". In the foreword to the DACE annual report (2005/06 financial year:3), the MEC

stated that "as reported in the past, our major problem during the year relates to under-spending of conditional grants. The poor spending was caused mainly by managerial challenges of centralisation of authority, supply chain management processes, shortage of specialist skills, a lack of proper financial delegations to managers, and inflexibility to change projects where circumstances justified. All these shortcomings were addressed soon after the year end".

It was stated in the DACE annual report (2005/06 financial year:18), that the DACE could not complete most of these projects by financial year-end and had requested a roll-over from The National Treasury to the next financial year for the committed funds. The reasons cited in the DACE annual report (2005/06 financial year:21) for poor spending of the capital budget were:

- capacity constraints in the supply chain management component;
- shortage of specialist skills in project management and economists;
- lack of appropriate financial delegations to district directors; and
- a lack of flexibility to change or substitute projects where satisfactory progress was not being registered.

In the Auditor-General's report for the DACE (2005/06 financial year:4), it is reported that "voted conditional grants of R54 594 000,00 and unconditional grants of R35 672 000,00 were under-spent by 89.3% and 40.6% respectively, as disclosed in annexure 1A and 1B to the financial statements". The view of the Auditor-General was that this "is indicative of an inadequate framework and monitoring of project implementation and management, resulting in service delivery being adversely affected".

b) Programme co-ordination

In the DACE annual report (2001/02 financial year:45), on the sub-section dealing with future plans and challenges for the various sub-programmes, the following remarks were made pertaining to co-ordination of implementation of the LRAD programme:

- that there was a challenge of co-ordination between departments involved in land reform projects; and
- that attempts had been made to map out responsibilities for all stakeholders in the LRAD programme.

The DACE annual report (2003/04 financial year:22) indicates that the backlog on delivery of land under the LRAD programme is a challenge. This was attributed to "poor co-ordination between major role players" (i.e. the NWPLRO, Land Bank and the DACE). It was argued that the backlogs delayed the processing of new applications since the 'old' applications had to be attended to first before new applications could receive attention. The problem of backlog was discussed above, where it was demonstrated that some of the projects were approved in one financial year, and transferred in the next financial year.

Respondents from the NWPLRO identified the following issues:

a) Integrated planning

There is a lack of integrated planning and implementation, which often results in offers expiring and getting withdrawn due to delays from other role-players. The respondents were of the view that the DLA did not have the authority to enforce co-operation among institutions involved in LRAD programme administration. However, they expected their administrative executives to provide support in terms of programme co-ordination by:

- involving other stakeholders involved in LRAD programme administration;
- clarifying very clearly what their role was supposed to be in administering the LRAD programme; and
- aligning administrative systems with those of other departments.

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The need for alignment of the LRAD programme, CASP, the Post-Settlement Grant of the DACE, and the Local Economic Development Fund of Municipalities, was emphasised in the following official reports of the NWPLRO:

- fourth quarterly report of 2004/05;
- second quarterly report of 2005/06;
- third quarterly report of 2005/06; and
- second and third quarterly reports of 2006/07.

An attempt was made to secure from the DACE and DOA an approved list of CASP projects for the financial years 2004/05-2006/07, however, only the 2006/07 project list was availed by the DOA. An analysis of the project list for the 2006/07 financial year was done by comparing the approved project list with the NWPLRO database of land reform projects. Of the 140 CASP projects approved in that financial year, only 32 were land reform projects (i.e. Commonage and pure LRAD).

The total approved budget for these projects was R15 309 210, which makes up only 22% of the R69 556 000 CASP budget approved by the DOA for the Province. According to the DOA CASP Business plan framework (2006/07 financial year), 70% of CASP funds must be directed to Land and Agrarian Reform projects i.e. (SLAG, Restitution, LRAD), 10% for food production programme (i.e. food security projects), 5% for infrastructure for animal health and 10% for training (research institute, e.g. ARC). The DACE did not meet the conditions attached to CASP that a minimum 70% of CASP budget funds be used to support land reform programmes. The 2006/07 financial year was the third year since CASP was launched. By that time, problems of integration of systems, which were raised by the NWPLRO since the 2004/05 financial year, should have been resolved.

In the quarterly reports of the NWPLRO (fourth quarterly report of 2004/05 and third quarterly report of 2005/06), the NWPLRO identified the following constraints:

- lack of capacity in the DACE to compile business plans; and
- delays from the DACE in compilation of feasibility reports.

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This observation is consistent with the own analysis by the DACE as described above, of administrative weaknesses that impact on its administrative capacity. The management of the DACE not only had to ensure that with the weak administrative capacity, the organisation performed its core mandate, but that it also contributed towards administration of the LRAD programme.

One of the factors identified in particular by respondents from the DACE as a challenge to co-ordination is the attitude of the administrative executive of the DACE in terms of perceiving the LRAD programme as an add-on to the functions of the department, and not as something integral to the attainment of the very core objectives that the DACE attempted to pursue. This matter was, however, discussed in much more detail in the section that deals with commitment.

6.9.6 Measures perceived to have facilitated effective administration of the LRAD programme

Through the application of appreciative inquiry in evaluation research, information can be generated about the positive effects of a programme, which information can be used as a building block for future interventions (Cloete, 2006:689). The research was thus not undertaken with a negative pre-emptive view that actions were ineffective with regard to administration of the LRAD programme. Respondents were thus requested to identify those positive aspects which, in their opinion, sustained the efforts to administer the programme in spite of the challenges identified above.

The respondents for the NWPLRO identified the following issues:

a) **Programme co-ordination**

The MEC's office and the political co-ordinating structures provided political support. Problematic issues with respect to LRAD administration could be elevated to these structures. The MEC as chairperson of the Land Reform Co-ordinating Committee receives reports from the PGC. These reports inform him/her of progress made with respect to land reform in the province and problematic cases with respect to land reform. The reports enable him/her to

provide the Executive Committee (EXCO) of the Province with feedback pertaining to the administration of land reform programmes in the province.

EXCO has technical committees called Executive Technical Committees (EXTEC) where heads of department meet to discuss administrative issues impacting on the province. Technical committees provide a platform for discussing and generating solutions pertaining to co-ordinated implementation of policies in the province. The effect of EXTEC on the administration of the LRAD programme was not probed by the researcher as such the perception of respondents cannot be corroborated.

The agency agreement between DLA and the Land Bank, which was described above, has facilitated effective administration of the programme. According to information in the NWPLRO project database, only 16% of the 217 LRAD projects appraised and/or approved in the North West Province during the period 2001/02 to 2006/07 were processed by the Land Bank in terms of the agency agreement. Though the bulk of the work (i.e. 84%) was done by the NWPLRO staff (as assisted by the DACE staff in terms of the technical aspects of LRAD project design and adjudication), the Land Bank did make a direct contribution to the LRAD programme administration by processing LRAD grant applications that had a loan component, and relieving pressure on the NWPLRO staff in terms of processing LRAD applications. Since the agency agreement between the DLA and the Land Bank came to an end at the end of the 2003/04 financial year, the NWPLRO staff has with effect from the 2004/05 financial year directly handled all LRAD projects (i.e. with or without loan component) that were submitted to the decision-making committees.

The DACE has with effect from the 2004/05 financial year, provided technical support as before but had the financial capacity to provide LRAD grant beneficiaries with post-transfer financial support given that CASP was launched in the 2004/05 financial year. The Land Bank supported, in addition to participating in the land reform decision-making committees, the administration of the LRAD programme by processing loan applications for applicants who in addition to the LRAD grant, required loan funding.

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Co-ordination of policy implementation with key stakeholders at district and provincial levels has been a positive factor. Structures for joint decision-making that were put in place made it possible for project applications to be appraised, and either approved or disapproved. During the period 2001/02 to 2006/07, the land reform decision-making structures appraised and/or approved a total of 271 land reform projects (NWPLRO project database) of which 217 (80%) were LRAD projects. The number of processed LRAD projects (i.e. 217 projects) excludes those that were either rejected or withdrawn. These structures supported the administration of the LRAD programme, but whether their collective output is adequate or should have been more is a matter that shall become evident in the concluding remarks once all the factors have been presented and analysed.

The alignment of land reform projects with municipal Integrated Development Plans (IDPs) has been considered a positive factor. However, unlike other land reform programmes such as tenure reform (since it deals with provision of land for residential housing), which requires direct involvement of municipalities, the involvement of municipalities in LRAD programme administration is not very clear cut, other than the statutory requirement that all projects within municipal boundaries should be registered with the IDP.

Effective administration of the LRAD programme was enhanced by the participation at PGC, of other financial institutions (a fact that was verified in the PGC minutes), as well as institutions such as the SENWES co-operative. The respondents indicated that a relationship also existed (i.e. outside the formal land reform decision-making structures) with organised agriculture of which, now that they were closer to government, they had the opportunity to discuss openly issues impacting on the LRAD programme from their perspective as important stakeholders in the agriculture sector.

b) **Informal relations among NWPLRO and DACE staff**

Respondents were of the view that forging personal relations with officials from other institutions made it possible for personal favours to be granted thus

allowing planners and managers to meet specific deadlines. It is here implied that not only were formal structures relied on to get assistance from the DACE, but that relationships mattered too. Chester Barnard (in Shafritz & Hyde, 1992:96-97) argues that informal organisations exist within formal organisations. Informal organisations are aggregates of unconscious personal contacts with no defined structure and boundary, which arise out of a process where people who share similar interests, such as joint administration of government programmes, are drawn together.

Responses by the DACE were as follows:

a) Programme co-ordination

Co-ordination of programme implementation with other stakeholders, which has also been highlighted above by the NWPLRO, took place through the land reform decision-making structures put in place to administer the LRAD programme. Officials from the DACE served in the decision-making committees (e.g. in the PGC as reflected in the PGC minutes of February 2006 to December 2006) of the LRAD programme, to advise on the sustainability of projects and make joint decisions on applications submitted for approval. In the LRAD Policy Framework (page 13), both the NWPLRO and the DACE are encouraged to share responsibilities under the LRAD programme, such as participating in all the structures and processes dealing with the LRAD project adjudication.

6.10 FINANCIAL ADMINISTRATION

The discussion below will consider the problems that impeded effective administration of the LRAD from a financial point of view. Before that, a presentation will be made of the approved budgets for institutions responsible for LRAD administration. The annual budget is an important public policy document spelling out the policy priorities of the Government as well as the source of funds (Fourie, 2007:734; Thornhill in Hanekom & Thornhill, 1995:122). Table 6.10 outlines the budget allocations for the DLA and the DACE for the 2004/05 financial year to 2006/07 financial year.

Table 6.10: Budget allocations for the DLA and the DACE

Financial year	Final annual appropriation for the DLA		Final annual appropriation for the DACE	
	Final annual appropriation for the DLA- R'000	Land reform programmes (excluding restitution)- R'000	Final annual appropriation for the DACE- R'000	CASP- R'000
2004/05	-	-	438690	26 875
2005/06	3 897 117	704 699 Of this amount, 514 306 was for land reform grants	430 960	33 594
2006/07	3 730 196	854 089 NB: Of the total of 548 357 allocated for land reform grants, 183 958 was allocated to provinces through virement, as 'payment for capital assets', leaving 364 399 for land reform grants, hence the reduced budget for land reform grants in relation to 2005/06	515 513	69 556 (NB: This amount is made up of R40 313 appropriated through the Division of Revenue Act, and R29 243 of roll-over funds from the 2005/06 financial year
	Sources: DLA annual reports for the financial years 2004/05 to 2006/07		Sources: DACE annual reports for the financial years 2004/05 to 2006/07	

The final budget allocation for the DLA for the 2004/05 financial year could not be sourced due to the inaccessibility of the electronic and hard copies of the 2004/05 annual report. However, the main reason for presenting information in Table 6.10 is to demonstrate the extent of financial support towards land reform beneficiaries, since inception of CASP in the 2004/05 financial year. The information as presented in Table 6.10 has been considered as sufficient to draw conclusions from. In the notes to the annual financial statements for the DACE (2004/05 annual report:95; 2005/06 annual

report:120; and 2006/07 annual report:137), it is indicated that conditional grants (appropriated through the annual Division of Revenue Act), and unconditional grants (appropriated by the Provincial Legislature from their Equitable Share of National Revenue), are included in the total annual appropriation for the DACE.

The column for CASP funds in Table 6.10 above, gives an indication of how much the DACE received for each financial year. The CASP programme allocation to the DACE for the 2005/06 financial year represents a 20% increase over the 2004/05 financial year allocation, while the allocation for the 2006/07 financial year represents a 17% increase over the 2005/06 financial year allocation. The DACE received exactly the same amounts as projected in the annual Division of Revenue Act (as presented in Chapter 5). This is an efficient and effective arrangement by the Government from a planning point of view since it affords provincial departments of agriculture sufficient time to plan in advance, knowing that resources would be forthcoming to fulfil the plans.

According to Table 6.10, the total annual final appropriation for the DLA for the 2006/07 financial year was decreased by 4,3% as compared with the 2005/06 financial year. The appropriation for land reform programmes (excluding restitution) amounted to 18% in the 2005/06 financial year, and 23% in the 2006/07 financial year, of the total annual final appropriation for the DLA for those financial years. Hall (2004:29) is of the opinion that the increase in the budget for land reform grants has not been matched with the increases in the price for agricultural land. Given that there has been no adjustment to the grant structure of LRAD programme since its inception, in real terms, the LRAD programme grants made available to beneficiaries of the programme have declined in real value.

6.10.1 Constraints related to financial administration of the LRAD programme

Government programmes from time to time encounter constraints that impede their effective administration. The constraints, as identified by respondents and also identified from official documents, are discussed below.

The following constraints were identified in the official reports by the NWPLRO:

- Escalating land prices that result in protracted negotiations as well as withdrawal of offers to sell, as identified in:
  - the fourth quarterly report of 2004/05;
  - the second quarterly report of 2005/06;
  - the third quarterly report of 2005/06; and
  - the first, second and third quarterly reports of the 2006/07 financial year.

Table 6.11 provides an analysis from which conclusions can be drawn whether escalating prices of agricultural land is a constraint towards effective administration of the LRAD programme in the North West Province.

Table 6.11: The cost of agricultural land for projects purchased through the LRAD programme in the North West Province (2001/02 to 2006/07 financial years) n=173

CLASS INTERVAL (HA)	BOJANALA			DR. KENNETH KAUNDA			NGAKA MODIRI MOLEMA			DR. RUTH SEGOMOTSI MOMPATI			Weighted arithmetic mean (R/HA) R'000
	No.	% of total projects	Average Cost/ha (R) R'000	No.	% of total projects	Average Cost/ha (R'000)	No.	% of total projects	Average Cost/ha (R'000)	No.	% of total projects	Average Cost/ha (R)	
[1.0000, 250.0000)	20	12	32 265	17	10	6 540	16	9	6 950	11	6	3 021	**11 529**
[250.0000, 500.0000)	3	2	8 975	7	4	2 166	15	9	1930	9	5	1 215	**2 330**
[500.0000, 750.0000)				2	1	1 465	4	2	2 233	16	9	1 028	**1 281**
[750.0000, 1000.0000)				1	1	1 500	6	3	1 568	13	8	959	**1 166**
[1000.0000, 1250.0000)										9	5	830	**830**
[1250.0000, 1500.0000)										7	4	822	**822**
[1500.0000, 1750.0000)										5	3	715	**715**
[1750.0000, 2000.0000)										3	2	589	**589**
[2000.0000 and more]							1	1	309	8	5	629	**597**
TOTAL	23	14	_	27	16	_	42	24	_	81	47	_	_

In a study by Lahiff (2007:24) of land reform projects for all nine provinces in South Africa (2006/07 financial year), the average cost of agricultural land was found to be R1566.00/ha, and the average size of land per project 902 hectares. Information in Table 6.11 indicates that as the size of the farm increases, the cost of land per hectare decreases. Agricultural land is expensive in Bojanala Platinum District Municipality, as compared with other district municipalities in the province. The farms purchased in Bojanala District Municipality through the LRAD programme are small in size (hectares) compared with other district municipalities. This is because farming in this area, in the

white commercial sector, is characterised by small intensive production units (irrigated crops as well as intensive livestock production such as commercial broiler production), as well as mixed farming.

The other factor that increased the price of agricultural land in Bojanala Platinum District Municipality in the 1.0000 to 250.0000 hectares category is that there were three projects whose purchase price (R/ha) was extremely high (e.g. the most expensive farm, producing table grapes for the export market as well as broilers for the commercial market, and located in Madibeng Local Municipality, cost R1 061 099.00/ha), thus having the effect of increasing the average cost/ha for the entire District Municipality. The constraint of high cost of agricultural land was mentioned by other provincial directors of the DLA as a factor that would limit land redistribution (Hall, 2004:29).

The cost of land, if considered in relation to the size of farm, could be misleading if the productive value of the farm and other factors were not taken into consideration. In a study by Van Zyl, Van Rooyen, Kirsten, & Van Schalkwyk (n.d:3-4), on the effect of real land prices on land transfer in South Africa for the period 1964 to 1991, they conclude that "real land price is not the only factor influencing land transfers: a low percentage of land transfers is, for instance, associated with high land prices in 1977, while a low percentage of land transfers is associated with lower land prices in 1990". However, Van Zyl *et al*. (n.d:3-4) do not indicate whether data used to arrive at this conclusion was derived from agricultural land purchased through government support only, market processes only, or a combination of the two. The observation by the PLRO directors is based on land purchases made through government support, and is therefore valid since there is a limit (i.e. limitations imposed by the rules and financial resources) in terms of what can be procured through government systems.

A total of 20% of the farms purchased through the LRAD programme in the North West Province are 1000 hectares or more in size, of which Dr. Ruth Segomotsi Mompati District Municipality accounts for 19% of all farms in the province that are more than a 1000 hectares (the remaining 1% is for Ngaka Modiri Molema District Municipality). As explained in the beginning of this chapter, extensive livestock farming (i.e. beef cattle and goats) is the predominant form of agricultural production system in Dr. Ruth

Segomotsi Mompati District Municipality, hence the large size of farms purchased in this area.

Fifty seven percent of the farms purchased through the LRAD programme in the North West Province are less than 500 hectares in size. A large number of smaller-sized farms may not help the province to move faster in achieving the land redistribution target of the number of hectares of White-owned agricultural land. However, since the programme is demand-driven there is very little that the province can do to increase the purchase of bigger-sized farms. Part of the rationale for demand-led land reform is its apparent efficiency (Thwala in Rosset *et al*., 2006:67), due to its ability to draw in family farmers, who are assumed to have the ability to operate small farms efficiently due mainly to the availability of family labour. A biased perspective on the purchase of bigger-sized farms will:

- disadvantage areas that have a high concentration of smaller sized farms, which may be expensive, but have a higher agricultural productive value per hectare;
- result in a concentration of Black farmers in large, extensive farming enterprises such as found in Dr. Ruth Segomotsi Mompati District Municipality, denying them access to niche enterprises and markets such as those available in Bojanala Platinum District Municipality; and
- because of the concentration of Black farmers in a few enterprises, this may not result in significant changes in land ownership and primary production structure in the province, as was anticipated by the Government through the LRAD programme.

Smaller-sized farms in the North West Province are much more expensive in relation to larger-sized farms. Though a socio-economic analysis of LRAD beneficiaries was not done as part of the study, it is argued that the manner with which the LRAD programme grant structure was designed and left unchanged since inception in 2001, in spite of the increasing price of agricultural land, has left the beneficiaries with a number of choices to consider when purchasing farms through the programme:

- **Choice No 1**: Given the expensive nature of smaller-sized farms, and that LRAD programme beneficiaries from poorer backgrounds do not have sufficient assets to use as own contribution to qualify for the maximum grant of R100 000 per

individual, which they cannot use as collateral to raise loan finance from the banks, they would need to form large groups to pool their grant funds to purchase these small, expensive, but highly productive farms (per hectare), and to collectively leave a sufficient balance of grant to use to sustain the semi-intensive or intensive production processes on the farm.

- **Choice No 2**: Given the expensive nature of smaller-sized farms in the North West Province, and that LRAD programme beneficiaries from good financial backgrounds have sufficient assets to use as own contribution to qualify for the maximum grant of R100 000 per individual, which assets they can use as collateral to raise loan finance from the banks, they can form smaller groups to pool their grant funds as well as loan funds to purchase these small, expensive, but highly productive farms (per hectare), and to collectively leave sufficient funds to use to sustain the semi-intensive or intensive production processes on the farm.

- **Choice No 3**: Given the inexpensive nature of larger-sized farms, and that LRAD programme beneficiaries from poor backgrounds do not have sufficient assets to use as own contribution to qualify for the maximum grant of R100 000 per individual, which they cannot use as collateral to raise loan finance from the banks, they would need to form larger groups to pool their grant funds to purchase these large, inexpensive, but less productive farms (per hectare), and to collectively leave sufficient funds to use to sustain the extensive farming production processes on the farm.

- **Choice No 4**: Given the expensive nature of smaller-sized farms (per hectare) and that LRAD beneficiaries from good financial backgrounds have sufficient assets to use as own contribution to qualify for the maximum grant of R100 000 per individual, which assets they can use as collateral to raise loan finance from the banks, they can form smaller groups to pool their grant funds as well as loan funds to purchase these small, expensive, but highly productive farms (per hectare), and to collectively leave sufficient funds to use to sustain the semi-intensive or intensive production processes on the farm, and can afford to purchase such farms as individual members of a household.

Figure 6.1 examines whether a variation in the number of beneficiaries per LRAD project (dependent variable) is influenced by a variation in the size of the farm. As explained above, the size of farm is linked to the type of enterprise, the production systems and the productive value of the farm (per hectare).

Figure 6.1: Relationship between number of beneficiaries per LRAD project (n=173) and size of farm purchased through the LRAD programme in the North West Province.
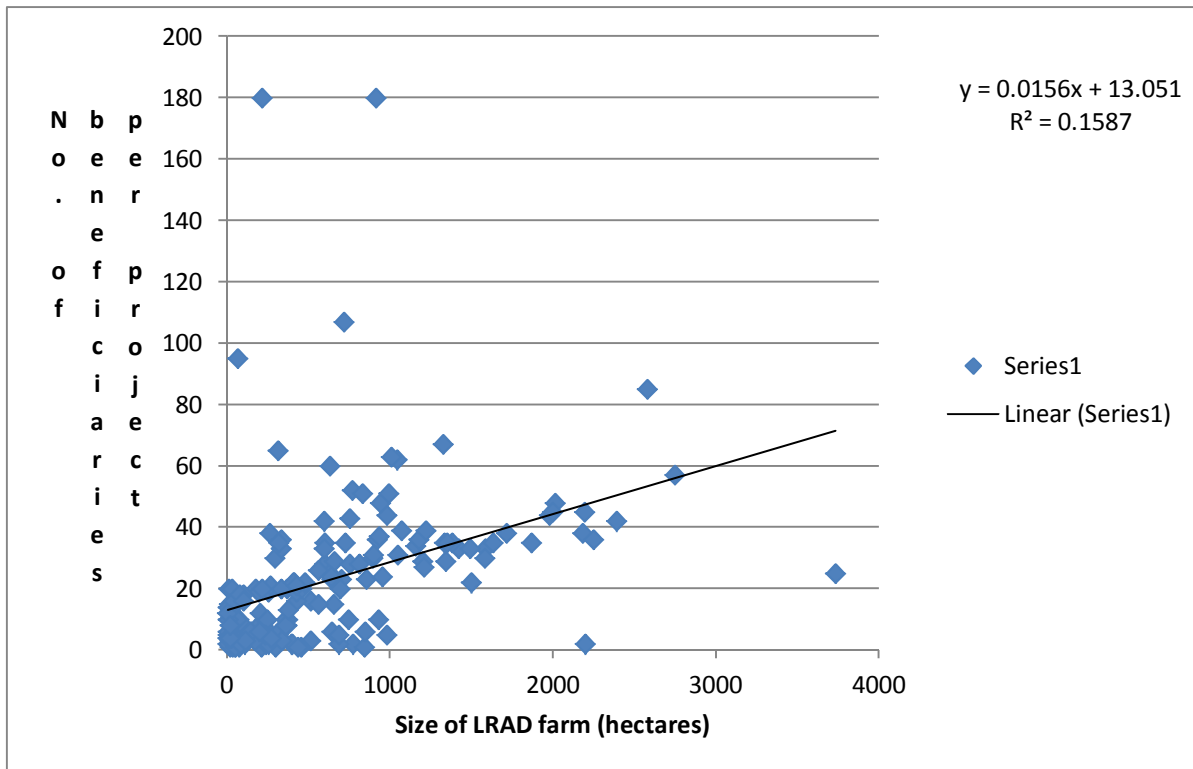
Figure 6.1 indicates that less than 20% (i.e. 15.8%) of the variation or increase in the number of beneficiaries per LRAD project is explained by the size of farm (r^2=0.158), of which this relationship could have been affected by outlying or residual values from the regression line. There may also be other factors responsible for the number of beneficiaries per project, such as:

- the productive value of the farm, and
- the financial and physical asset endowment of beneficiaries, which has an influence in terms of the amount of LRAD programme grant funds and loan finance that they can generate.

The escalating price of agricultural land could also be due to speculative tendencies by sellers, or due to LRAD programme implementers using only market price criterion in isolation of other factors as prescribed in the Constitution, 1996. The high price of agricultural land and the perceived biased nature of the LRAD programme against poor people are the financial issues that have to do with the content or design of the programme. These were raised by the NWPLRO as challenges to the effective administration of the LRAD programme. The NWPLRO, for example, mentioned in its official reports that high land prices result in protracted negotiations between buyers and sellers, which may lead to withdrawal of offers to sell by sellers, as well as lengthen the process of finalising LRAD applications.

6.11 STAFFING OF PUBLIC ORGANISATIONS

The function of staffing public organisations involves firstly, the provision of personnel, and secondly, getting staff to perform their duties (Cloete, 1994:165). *Human resource management* is an umbrella term that broadly refers to functions that involves attracting suitable skills to the organisation, development of staff, motivation of staff and staff retention (Jackson, 1995:238).

6.11.1 Expectations of the role of the public managers pertaining to execution of staffing functions

Respondents were requested to firstly, indicate the role that the public managers of the institutions should play in dealing with staffing issues for the LRAD programme, and secondly, to spell out the roles that they actually play in dealing with the staffing issues for the LRAD programme. Their responses were coded and presented in Table 6.12.

Table 6.12: Roles in terms of staffing for the LRAD programme

Expectations of the role of the public managers in staffing for the LRAD programme	Roles that the respondents said they play in staffing for the LRAD programme
Responses by the PLRO respondents	**Responses by the PLRO respondents**
None	**Human resource management** Supervising and guiding of planners in the implementation of projects as prescribed by policy Removing operational impediments that planners encounter.
Responses by the DACE respondents	**Responses by the DACE respondents**
Resourcing the programme To ensure that there is sufficient line function human resources to can carry out the required activities	**Human resource management** Manage staff to ensure that DLA gets support in terms of farm assessment.

In terms of Table 6.12, the expectation by DACE respondents was for the public managers of their institution to ensure that there were personnel consistent with the volume of work that must be done. In terms of the actual roles played by respondents, none of them mentioned the role of recruitment of personnel. The focus of their work pertaining to staffing issues as they described above was on supervision and general managerial support, to ensure that performance targets are met.

6.11.2 Constraints related to staffing for LRAD programme administration

Respondents were asked to identify constraints pertaining to staffing. In addition, official reports were also identified with a view to identifying additional constraints, or corroborating the views of respondents. The constraints were coded and are presented below.

The following constraints are perceived by the NWPLRO:

Human resource capacity

The respondents argued that the low level of skills for implementers is a constraint. However, it could not be verified that indeed this is a constraint. In the above section on policy, the low skills levels were also mentioned as a constraint that resulted in "too loose an interpretation of policy" when low skilled workers were left to their own devices (i.e. not given proper managerial support).

There was a staff shortage generally, for example, when the LRAD programme was introduced it was expected of it to be implemented with the same staff complement as before. Evidence was provided in Table 6.3 to demonstrate that there was an increase in the number of LRAD projects when compared with the SLAG projects. However, the NWPLRO could not furnish reliable information pertaining to the number of planners during the period under the SLAG programme (i.e. from the financial year 1996/97 until 2000/01), and during the period under the LRAD programme (i.e. from the financial year 2001/02 up until 2006/07) so that the views of respondents could be corroborated.

The following are constraints as identified by the DACE:

Human resource capacity

From the DACE official documents, the following constraints were identified:

- A lack of capacity to provide specialised (professional) services, such as project planning (agricultural economics and agricultural engineering) support. According to the DACE annual report (2001/02 financial year:77), the department identified the following human resource capacity issues:

  o A problem of resignations/transfers by mainly specialist staff, who were lured by lucrative offers from other sister departments. In the comments column of the DACE annual report (2001/02 financial year:40), it was remarked that there was low staff capacity to develop business plans.

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In order to manage the risk to service delivery apparently caused by the lack of capacity from the DACE, the NWPLRO respondents indicated that the NWPLRO had a discussion with the DACE the previous year that perhaps the NWPLRO should outsource the services of business plan development, and that the DACE should work with the NWPLRO on the development of terms of reference for business plan development service providers, as well as assist with appraisal of business plans since this falls in their area of expertise.

The NWPLRO respondents indicated that in principle the DACE officials were not opposed to the idea of outsourcing the business plan development services, but the DACE asked what would be the point in outsourcing since the same people (i.e. service providers) to be appointed by the NWPLRO would come to the DACE to ask for information. According to the NWPLRO respondents, the proposal of outsourcing was never implemented and the delays by the DACE in terms of making business plans available to the NWPLRO continued.

o Lack of financial resources and limitation of the budget allocated by the Government during the last few years, which resulted in the Department being unable to fill key positions related to line function specialists. The DACE, like all government departments in the province, receives baseline amounts for the operational budget from the provincial treasury for the MTEF period (Telephonic conversation with DACE finance deputy director, dated 18 May 2010). These baseline amounts are approved by provincial EXCO's during November/December of each year (Pauw *et al*., 2002:81). The baseline budget allocations thus limit the DACE management from dealing with the constraints of staff shortages and departures as identified above.

The situation pertaining to the vacancy rate for agricultural engineers and agricultural economists is as reflected in Table 6.13 (Written submission from DACE Human Resource Management Directorate, 2008).

Table 6.13: Vacancy rate of critical posts for the DACE

Occupational class	Period	Number of posts in terms of approved personnel structure	Vacancy rate (%)
Agricultural engineers	2001/02 & 2002/03	6	50
	2003/04	7	57
	2004/05 & 2005/06	8	75
	2006/07	16	63
Agricultural economists	2001/02 & 2002/03	14	43
	2003/04	14	21
	2004/05	14	29
	2006/07	14	21

Source: DACE Human Resource Management Directorate (2008)

The process of business development requires the technical inputs from:

- agricultural engineers in terms of infrastructural design and costing;
- agricultural economists in terms of financial analysis;
- scientists/specialists in terms of technical production issues; and
- agricultural extension officers with regard to profiling of the individual, group or community needs and other social aspects.

The business plan development capacity of an institution is a function of a number of variables, among them human resource capacity but most importantly financial resources. It was stated above that the lack of financial resources as well as limited budget allocated by the Government to the DACE, has constrained it from filling vacant critical positions since the 2001/02 financial year.

Table 6.13 indicates that the situation in terms of vacancy rate in the DACE was dire when it related to agricultural engineers. This observation is consistent with information contained in the human resource development plan of the DACE (2007:15), wherein it was stated that shortages were being experienced internally and in the external job market. It is projected (the DACE human resource development plan, 2007:16) that this would remain a problem in future due to huge construction projects for the 2010 FIFA World Cup. With regard to agricultural economists, the Department also acknowledges, in the human resource development plan (2007:17), the shortage in the Department and the private sector due to limited enrolment at tertiary institutions. The Department would therefore have to consider possibilities of securing engineering services other than the permanent employment route. However, in terms of human resource management strategies, the Department proposes in the human resource development plan (2007:48, 49), firstly, the development of a recruitment and retention strategy by December 2008, and secondly, bursary allocations by December 2009.

6.11.3 Measures perceived to have facilitated effective administration of the LRAD programme

Responses by the NWPLRO on the promotion of effective administration of the LRAD programme are as follows:

Human resource capacity building

An agricultural economist was appointed to deal with issues of viability and sustainability of projects. This was not done in the initial years after the LRAD programme was introduced. Organisations are social entities that interact with other organisations in order to secure supply or critical human resources (Jackson, 1995:239-243). Organisations thus engage in exchange of resources (i.e. skills) in order to ensure achievement of goals and objectives as well as long-term survival. Those organisations that are in control of critical resources (e.g. skills, which may not be easily accessible elsewhere in the job market) enjoy asymmetrical positional power in relation to those that do not.

Human resource management activities and processes thus involve managing this delicate asymmetrical power relationship with the ultimate aim of reducing the vulnerability of the resource-dependent organisation (Jackson, 1995:239-243). It was indicated above that the DACE was not receptive to the idea of the NWPLRO outsourcing the services of business plan compilation, however, the NWPLRO took the initiative of appointing an agricultural economist as a way of managing this risk, which was impacting on their ability to reach land redistribution targets.

Training sessions were conducted for implementers/planners. This was not only done in the initial phase but as an ongoing process of staff development as and when modifications to policy and procedures occur. In terms of general systems theory, the function of human resource management is to acquire the necessary skills (inputs) in the labour market, and convert or align (throughput) their behaviours to the expectations of the organisation such that their performance would result in the production of the desired outputs (Jackson, 1995:239-243). In aligning the behaviours of staff to the expectation of the organisation, human resource management supports organisational performance by:

- identifying the role behaviours of employees expected by the organisation (which are influenced by the institutional context impacting on the organisation), such as what planners must do to administer the LRAD programme effectively;
- communicating these expectations widely through training sessions, which are one way through which the expectations of management can be communicated;
- measuring performance against the identified expectations; and
- supporting behaviour that meets the expectations of other role partners (e.g. managers, peers, other institutions and clients), by, for example, rewarding it (Jackson, 1995:239-243).

In terms of the New Public Management approach, the role of the senior management is to ensure that its institution has the necessary capacity to function (Kettl in Rosenbloom, *et al*., 1994:42). The respondents argued that the expertise which the DLA had internally, enabled it to implement the LRAD programme effectively. However, the expertise within the DLA can only be assumed to exist, given that implementation of the LRAD programme did take place, which can partly be attributed to the knowledge and skills of public officials. The NWPLRO could not furnish the researcher with information

pertaining to human resource development plans put in place by the DLA to build capacity with regard to administration of the LRAD programme.

Responses by the DACE are as follows:

Human resource capacity building

Officials were appointed to deal specifically with LRAD implementation, with local development centre (LDC) managers assisting in terms of co-ordinating their activities. These officials (e.g. agricultural extension officers) have been working together with planners from the NWPLRO in terms of development of project submissions to the PGC. In the LRAD Policy Framework (2001:13) it is expected of the DACE to "redirect its budget and re-deploy staff to create a special programme to assist land reform beneficiaries, both during the process of preparing proposals and after purchase of the land". It was explained above that the DACE had a special directorate dealing with issues of land administration, including the administration of the LRAD programme.

Workshops were organised for staff. This was necessary given the fact that DACE had co-responsibility with the NWPLRO for programme administration.

6.12 WORK METHODS AND PROCEDURES FOR LRAD PROGRAMME ADMINISTRATION

Work procedures are "ways in which officials carry out work in order to give legality and legitimacy to government actions" (Botes *et al.*, 1992:331). The process for approving LRAD applications in the North West Province is presented in detail in Appendix 5. In developing the document outlining the process for approving LRAD applications, the researcher relied on information contained in the LRAD Programme Implementation Manual (Version 1, 2004), as well as the NWPLRO Terms of Reference. This basic document was then given to one official in the PISU of the NWPLRO, and one planner in the DLRO, for them to enrich it by bringing their own experiences in terms of the procedures followed by the NWPLRO. The comments of the two officials (electronic correspondence from PISU official, 20 May 2010, and personal discussion with District Land Reform Office (DLRO) planner, 28 May 2010) were independently submitted and

consolidated into the information as presented below. The implications of the process in terms of administration of the LRAD programme are discussed below.

The LRAD programme provides applicants with an opportunity to design projects to suit their needs. Buyers initiate the process of an LRAD application, by identifying a farm to purchase, and negotiating the purchase conditions with the seller. The Government thus depends on the initiative of willing buyers, and the positive response of willing sellers for the implementation of LRAD projects. However, the Government has to proactively and rigorously communicate a message to buyers and sellers of agricultural land about the goals and objectives, as well as support mechanisms for the LRAD programme. This is to ensure their commitment to the programme, since it is critical for the achievement of agricultural land redistribution targets. For buyers to initiate negotiations for land purchase, information must be readily available about agricultural land that is up for sale.

Buyers are encouraged by the NWPLRO planners to negotiate offers, which remain valid for a period of three months, since it is considered that within three months the PGC would have made a decision in terms of whether to approve or decline an application. The three-month period was used as a benchmark against which the turnaround time for LRAD projects in the North West Province (cf. p 223) was measured.

The offer that buyers accept from the seller is considered preliminary by the NWPLRO, since the NWPLRO still has to do property valuation and negotiate price on behalf of the applicant. Acceptance of an offer has financial implications for both buyers and the Government. For buyers, if the property purchase price does not represent a fair and reasonable value, more grant and/or loan funds may have to be raised and, in the situation where applicants are unable to do so, the negotiations for land purchase will come to an end. For the Government, if negotiations for land purchase collapse, this has a direct bearing on land redistribution. However, if applicants manage to buy the property for more than it should sell for, such projects will not be sustainable, and can in the long run result in fruitless expenditure on the part of the Government, if beneficiaries abandon or surrender them. To manage the potential risk to the achievement of land redistribution goals and objectives, and to ensure that scarce government resources are not used to promote unsustainable LRAD projects, the Government makes use of

property valuation as an official and legal tool to assist beneficiaries to negotiate a fair and reasonable price for the agricultural properties on offer.

An application, submitted in the prescribed form, is considered to have been formally received and registered when it has been received by the DLRO. This implies that in cases where an application is submitted to the DACE, Land Bank, or local municipality, these institutions then forward the application to the DLRO. This arrangement puts the NWPLRO as the institution at the centre of all administrative mechanisms for co-ordination of the administration of the LRAD programme in the North West Province.

The planner writes an acknowledgement letter to the applicant/s in which he/she would, among others, indicate additional information that must be submitted by the applicant. In the case where the LRAD programme grant would be insufficient to purchase the farm, the buyer is informed to remedy the situation by, for example, applying for a loan at the Land Bank or any other commercial bank. The planner provides this critical information to the applicants to enable them to make appropriate decisions that would enable them to secure the maximum amount of LRAD programme grant funds which they are entitled to receive.

The planner is also expected to do a deeds search to ensure that the seller is indeed the owner of the property, and to liaise with the Commission for Land Restitution to ensure that there is no valid land restitution claim lodged against the property. Given that, in the case where the same property is being targeted by the Government in terms of both land restitution and redistribution programmes, a restitution case (which is rights based) takes precedence over a redistribution case (which is transformation based). This ensures that government resources are not wasted unnecessarily on properties for which land restitution claims have been lodged.

The planner works with the agricultural extension officer from the DACE in compiling the farm assessment and feasibility reports. This underscores the importance of co-ordination in the design of LRAD projects.

In the North West Province, it was originally planned to have three committees, namely LLRC, the DLRC, and the PGC (see appendices 1 to 3), however, there are differences between the four DLROs in terms of the committees that assesses the LRAD applications. In Bojanala Platinum and Ngaka Modiri Molema district municipalities, the applications are processed by one committee (a hybrid structure between LLRC and DLRC) before reaching PGC. Dr. Kenneth Kaunda and Dr. Ruth Segomotsi Mompati district municipalities process LRAD programme applications through the LLRC and DLRC, before submission to the PGC for approval. The LLRC creates an additional administrative structure, which if not efficiently and effectively managed, can prolong the turnaround time for applications. In some district municipalities, not all local municipalities have White-owned agricultural land within their areas of jurisdiction, which means that there would be no LRAD projects to be presented to the LLRC. In such a situation, it is advisable for the DLRC to adjudicate all land reform projects (with the exception of land restitution projects, since they are the functional responsibility of the Land Claims Commission); given that other land reform programmes make a small component of land reform activities undertaken in the province (cf. p 225).

The planner makes both the introductory and detailed presentations of LRAD programme applications to the DLRC. An application is presented to the DLRC and is recorded in the minutes. Every time the DLRC meets to discuss land reform projects, this committee is able to get feedback on implementation of LRAD projects. In this manner, the DLRC is able to keep track of progress made on all projects. Tracking, if done efficiently and effectively, can assist in getting projects approved by the PGC within 90 days of lodging an application, in terms of the NWPLRO standards. Tracking can also enable the DLRC to make appropriate decisions in terms of:

- declining projects that do not meet the basic criteria for the LRAD programme;
- expediting the implementation of projects which are lagging behind; and
- recommending to the PGC projects which qualify to receive LRAD programme grant funds.

Projects for which the DLRC has either approved the planning grant, or recommended to the PGC for granting of the LRAD grant, must be registered in the Basic Accounting System (BAS) of the DLA. For projects to be registered in the BAS system, a copy of the DLRC minutes is sent to the DLA to provide proof of the decision made by the DLRC,

and to prevent DLRO managers from making arbitrary decisions pertaining to approval of planning grants. It is important for the project to be registered in the national BAS system because without this, the planning services cannot be procured for the project, and the LRAD grant cannot be paid. The BAS system thus creates a source of reference and identity for the project, against which all financial transactions for the project are referenced to ensure proper controls.

The NWPLRO does the appointment of the service provider, and informs the DLRO. This function was previously centralised at the DLA, hence the concern raised in Table 6.14, of centralisation of procurement functions, which according to the NWPLRO, resulted in a long turnaround time for LRAD projects.

The activities of the PGC are not only confined to the days of the meeting of the committee. Applications that have been recommended by the DLRC are submitted a minimum of three weeks before the scheduled meeting of the PGC. The reason for submission of the documents three weeks earlier is to afford the PISU at the NWPLRO, and all the PGC members, an opportunity to scrutinise the application for compliance with official policy, and to make policy-related as well as general inputs on the submission before it can be presented in the PGC sitting. This arrangement is meant to avoid having the PGC being slowed down with petty issues that should have been dealt with at DLRC level, thus improving the efficiency and effectiveness of the decision-making processes of the PGC. It also ensures that inputs/comments made by members of the PGC, are communicated to the DLRO manager for him/her to attend to before the application is resubmitted to the PGC secretariat. PGC members from all stakeholder institutions are thus afforded an opportunity to make inputs towards LRAD applications.

The decision to approve the release of the LRAD grant is communicated to both the buyer and seller of the property. For approved applications, the chief director for the NWPLRO (who is the PGC chairperson) prepares and signs a memo to be submitted to the DLA, indicating approval of the LRAD grant by the PGC. The DACE representative in the PGC, as well as the DLRO manager of the affected LRAD project, will also co-sign the memo. The memo is submitted to the DLA, together with a copy of the PGC minutes reflecting the approval decision taken on the project. Both the NWPLRO and the DACE

are accountable for the administration of the LRAD programme hence the co-signing of the memo to the DLA.

The memo is also a request to the DLA finance directorate to commence administrative arrangements for:

- payment of the LRAD grant;
- ensuring that the process of conveyancing starts; and
- the DLA to get itself ready to make payments towards the purchase of the land; and property transfer costs.

The synchronisation of the internal administrative processes with the external (mainly) conveyancing processes is meant to speed up the administration of the LRAD programme applications during the transfer phase. The LRAD programme beneficiaries are expected to commence with the farming operations, as soon as the property has been transferred to them. For them to start farming, they would need agricultural extension support, funding from the balance of LRAD grant (i.e. balance of grant if any), CASP programme funding from the DACE and production loan from the financial institution (if any).

The process for approving LRAD applications demonstrates a complex arrangement that requires integration of policies and administrative systems between government institutions administering the programme. To ensure that all the processes for administration of the programme are synchronised, there should be integration of government and market mechanisms for service delivery, vertical integration of policies and administrative systems between the three spheres of government, as well as good managerial and communication ability.

6.12.1 Constraints pertaining to processing of LRAD programme applications

The following are constraints as perceived by the NWPLRO:

The problem of delays in the procurement of land reform services is a constraint as perceived by the NWPLRO. It was raised in the following documents:

- the fourth quarterly report of 2004/05,
- the third quarterly report of 2005/06, and
- the executive summary of the 2003/04 annual report, which states that "there is a delay in the turn-around time of delivery of projects, and this is brought about by the centralization of procurement functions at National Office (DLA), and that whilst there is a greater need to conform to over-arching government prescripts, these in turn have a bearing in terms of procuring essential services which are required by projects (valuation, business planning etc.) as a result, problems such as loss of farms result".

In the NWPLRO annual report (2005/06 financial year:2), it was remarked that the procurement system causes delays in the appointment of service providers, as well as threatening the sustainability of projects that need to utilise the balance of grant, and that problems of getting property valuation reports in time may not only be due to the weaknesses in the internal procurement system, but also by property valuers taking their time before producing reports.

These reports indicate that there were problems with centralisation of the procurement system, which tended to be slow in responding to the requests by the NWPLRO, and thus impacted negatively on:

- project turnaround;
- achievement of annual land redistribution targets; and
- sustainability of transferred projects.

In the first quarterly report of 2005/06 financial year, and the third quarterly report of 2006/07 financial year, the NWPLRO made the following recommendations pertaining to procurement of services for the LRAD programme:

- improvement in turnaround for procurement requests submitted to the DLA;
- improving the administrative capacity of the NWPLRO; and
- decentralising procurement functions to the NWPLRO.

As indicated above in the process for approving LRAD applications, the procurement functions pertaining to the appointment of service providers for planning purposes, were decentralised to the NWPLRO.

A review of official NWPLRO reports also highlighted problems with conveyancing. In the first quarterly report of the 2005/06 financial year, it was reported that an additional 13 projects experienced delays at conveyancing stage, and also in the third quarterly report of the 2005/06 financial year, that several projects could not be transferred in December 2005 because many conveyers closed mid-December 2005. Private sector businesses close their offices during the December-January festive period. Government offices also close during this time, but for a shorter period than is the case with the private sector. The LRAD programme, like any other process of property transfer, relies on market mechanisms of property conveyancing for properties to be registered, hence the vulnerability to delays, which are a result of external service providers.

6.12.2 Measures perceived to have facilitated effective administration of the LRAD programme

The responses by the NWPLRO are as follows:

Policy and procedure guidelines are available in terms of how the programme should be administered. Internal checklists assist in ensuring that when submissions are received from the DLRO, the PISU can assess them for compliance with policy. In this manner, the PGC does not waste time in scrutinising each submission for compliance to policy, but instead focuses on discharging its mandate as prescribed in the LRAD Policy Framework. By appraising the submissions of planners, this resulted in them taking pride in the work that they do, as well as making quality presentations to the PGC.

6.13 CONTROL AND ACCOUNTABILITY IN LRAD PROGRAMME ADMINISTRATION

In modern democratic civilisations, public functionaries are required to account for everything which they do pertaining to the execution of their official duties (Cloete, 1994:210). The control function is executed with the purpose of:

- ensuring that those who have been delegated authority by the legislature to administer the LRAD programme use their powers to advance the general welfare of beneficiaries of the programme as defined by the elected representatives (Cloete, 1994:205); and
- achieving the goals and objectives of the LRAD programme efficiently and effectively (Fourie, 2007:733).

The respondents were asked to indicate their expectations of the role to be played by the public managers of their respective institutions in LRAD programme administration. None of the respondents from the DACE and the NWPLRO indicated their expectations in terms of the role to be played by the public managers of their respective institutions. However, in terms of the actual roles played by respondents, none of the responses of the NWPLRO are related to the execution of control functions. The respondents from the DACE identified the following:

- monitoring of progress on projects funded by DACE from CASP funds; and
- monitoring of applications that have been received (i.e. with respect to development of feasibility studies).

6.13.1 Measures perceived to have facilitated effective administration of the LRAD programme

The responses by the NWPLRO are as follows:

Project monitoring

The respondents were of the view that showcasing of successful projects had an effect on the quality of work of planners. According to them, showcasing had the effect of ensuring that staff members take pride in the work that they do. The aspect of staff

members taking pride in their work was also discussed above and credited to the appraisal of project submissions.

Public accountability cannot be effected properly unless relevant and timely information is made available (Cameron, 2004:59). The NWPLRO has been reporting regularly to the DLA with regard to the administration of the LRAD programme in the North West Province. In these reports is contained feedback information on the performance of the institution against set targets, constraints impeding service delivery, and recommendations for improvement of the administration of the programme. Some of the recommendations were operational in nature while others related to the content of the policy. Table 6.14 gives a summary of the key issues that were communicated by the NWPLRO to the DLA since inception of the programme, until the 2006/07 financial year.

Table 6.14: Summary of issues reported by the NWPLRO to the DLA: 2001/02 financial year to 2006/07 financial year

Source documents	Constraints	Recommendations
Fourth quarterly report of 2004/05	Alignment of LRAD, CASP, and Post-Settlement grant Escalating land prices resulting in loss of deals	On-going discussions with DACE
First quarterly report of 2005/06	Delays in procurement of land reform services	Improvement in turnaround time for procurement critical Capacitate and decentralise procurement to PLRO
Second quarterly report of 2005/06	High likelihood of over-expenditure of capital budget	Urgent need to increase capital transfer budget
Third quarterly report of 2005/06	Delays in compilation of feasibility reports Lack of capacity in DACE to compile business plans	Outsource the functions of business plan compilation
First quarterly report of 2006/07:	High land prices	Alternative land acquisition strategy (e.g. PLAS)

	Withdrawal of offers Few willing sellers Protracted negotiations	Change grant structure to make it flexible to match nature of enterprise
	Highly commercial projects acquired as going concerns against limited grant.	Capacity needed to implement the actions: more training of staff on PLAS, expropriation methods and negotiation skills, recruitment and training of staff
Second quarterly report of 2006/07	Alignment of LRAD, CASP, and Post-Settlement Grant	Ongoing discussions with DACE
	Escalating land prices resulting in loss of deals	Improvement in turnaround time for procurement critical
Third quarterly report of 2006/07	Withdrawal of offers after approval at PGC	Capacitate and decentralise procurement to PLRO
	Highly commercial farms acquired as going concerns against limited grant funding, Protracted negotiations	Urgent need to increase capital transfer budget.

Table 6.14 highlights the constraints impeding the NWPLRO from efficiently and effectively administering the LRAD programme. Part of the problem arises from the fact that the NWPLRO was dependent on the DLA for certain functions that were critical for the effective administration of the LRAD programme, such as procurement of certain services. The NWPLRO was also dependent on the DACE for administration of the LRAD programme. To the extent that this feedback information was acted upon by the administrative executive at the DLA, the performance situation within these institutions was expected to improve, remain constant, or deteriorate.

The responses by the DACE are as follows:

The external pressure from the media, politicians and the clients themselves, helped to put pressure on the DACE to administer its programmes much more effectively. It was mentioned above that the LRAD is a political programme of the Government; as such there is pressure on officials to administer programmes effectively. The media spotlight has been firmly focused on this and other land reform programmes, where controversial, conflict riddled and failed projects were constantly flagged, thus putting officials under pressure all the time.

6.14 SUMMARY AND SYNTHESIS

Table 6.15 provides a summary and synthesis of the constraints impacting on effective administration of the LRAD programme in the North West Province. Each constraint was given a conceptual label by the researcher, and the causes and consequences identified.

Table 6.15: Constraints towards effective administration of the LRAD programme in the North West Province

CAUSAL FACTOR	CONSTRAINTS RESPONSES FROM NWPLRO		CONSEQUENCE
	Description of constraint	**Conceptual label**	
Policy assumptions made by policy developers not compatible with 'realities' of policy implementers[1] Conflict of policy objectives[2]	Overambitious implementation targets[1]	Policy (content)	Implementation targets not reconciled to implementation challenges[1] Conflict of policy objectives between land redistribution and project sustainability[2]
Conflict of policy objectives[2]	The grant structure disadvantages the poor[1]	Policy (content)	Beneficiaries are forced to form large groups to increase their total grant allocation[1], Large groups result in unsustainable projects[2]

Speculative tendencies by sellers[2] The increased demand for agricultural land created by the LRAD programme[1] Purchasing of high value (and expensive) farms such as in Bojanala Platinum District Municipality[1] The use of constitutional provision of 'market price' to the exclusion of other factors[2]	Escalating land prices[1]	Policy (Participation by stakeholders) Policy (interpretation)	Protracted negotiations pertaining to land price[2] Withdrawal of offers to sell[2] Possible exhaustion of LRAD budget[1]
Low skills base of staff[2] Low-skilled staff left to[2] their own devices in terms of interpretation of policy	Too loose an interpretation of policy during implementation[2]	Policy (interpretation)[2]	Delays in approval of applications[1] Unequal treatment of LRAD beneficiaries[2]
Centralisation of authority to appoint staff[1]	Staff shortages[2]	Administrative capacity (to plan and implement projects)[2]	Prolonged turnaround in terms of implementation of projects[1]
Centralisation of procurement functions at National Office[1]	Delays in procurement of land reform services[1]	Policy (Centralisation of authority)[1]	Prolonged turnaround time for implementation of projects[1] Withdrawal of offers to sell[2]
Closure of conveyers's offices during December[2]	Delays at conveyancing stage (Reported during first and third quarters of 2005/06 financial year)[1]	Policy (Resource dependence)[1]	Prolonged project transfer phase[1] Prolonged project turnaround[1]
Weak administrative capacity from DACE[1]	Lack of capacity in DACE to compile business plans[1]	Policy (Resource dependence by NWPLRO on DACE)[1]	Business plans not developed for all transferred projects[2] Viability and sustainability of all transferred projects not be determined[2]

Weak administrative capacity from DACE[1]	Delays from DACE in compilation of feasibility studies[1]	Policy (Resource dependence by NWPLRO on DACE)[1]	Prolonged project planning/design phase[1] Prolonged project turnaround[1] Withdrawal of offers to sell[2]
Failure by institutions administering the LRAD programme to adhere to: *Section 41 of the Constitution, 1996[1] *Provisions of the IGRF Act (13/2005)[1] Non-compliance to statutory conditions for conditional grants[1] Administrative executive taking its' time to address issues raised by NWPLRO in the official reports[1]	Ineffective alignment of LRAD, CASP, Post-Settlement Grant funds, and Local Economic Development Fund[1]	Co-ordination[1]	Fragmented planning and implementation[1] Grant funds not well pooled to support land redistribution beneficiaries[1] Unsustainable land redistribution projects[2]

CAUSAL FACTOR	CONSTRAINTS RESPONSES FROM DACE		CONSEQUENCES
Departure of mainly specialist/professional staff[1] Limited output of agric economics students at university caused by limited enrolment[2]	Lack of capacity to provide specialised/professional services[1]	Administrative capacity (to plan and implement projects)[1]	Weak predisposition by DACE to commit resources to the LRAD programme[1] Lack of capacity to develop business plans on time and for all transferred projects[1] Lack of capacity to develop feasibility reports on time[1] Prolonged project design phase[1] Withdrawal of offers to sell[2]
Limited budget allocated by government[1]	Lack of financial resources[1] (i.e. operational budget)	Administrative capacity (to plan and implement projects)[1]	Inability to fill critical posts[1] Weak predisposition by DACE to commit resources to the LRAD programme[1]

DACE unable to retain engineers in particular, who are in demand in the job market and are paid more[1]	Departure of specialist staff[1]	Administrative capacity (to plan and implement projects)[1]	Weak predisposition by DACE to commit resources to the LRAD programme[1] Conditional grants not completely spent[1] Land reform beneficiaries not benefiting fully from CASP grant funds[1]
Centralisation of authority.[2] Supply chain management processes not conducive[2]. Shortage of specialist skills[1]. A lack of proper financial delegations to managers[2]. Inflexibility to change projects where circumstances justified (e.g. where projects are unable to get off the ground)[2]	Lack of capacity to spend conditional grants[1]	Administrative capacity (to plan and implement projects)[1]	Weak predisposition by DACE to commit resources to the LRAD programme[1] Conditional grants not completely spent[1] Land reform beneficiaries not benefiting fully from CASP grant funds[1]
Perception that implementing organisations are not treated as equal partners[1]	Attitude by DACE Management to perceive LRAD as an add-on to the functions of the department[2]	Policy (selective interpretation)[2]	Ineffective co-ordination of DACE and PLRO programmes and systems[1] DACE not providing adequate resources towards the LRAD programme[1]
Attitude by DACE Management to perceive LRAD as an add-on to the functions of the department[2]	Lack of commitment from DACE management towards the 2014 land redistribution targets[2]	Commitment of management[2]	DACE and PLRO programmes and systems not aligned[1] DACE not providing adequate resources towards the LRAD programme[1]

NB: Factors marked:

'1': Those which the researcher was able to factually corroborate

'2': Those which:

- were raised either by respondents, or in official reports, and the researcher could not factually corroborate.
- the researcher considers having a relationship with other factors, but would need further investigation in future research projects, in order to confirm this.

In terms of Table 6.15, the main constraints (i.e. in their order of importance as identified in the research) pertaining to LRAD programme administration are as follows:

Policy Content: The policy content provides the context within which the LRAD programme is administered, and is manifested as follows:

- assigning the constitutive authority of the land function as a national competency of the DLA, agriculture as a concurrent function between DOA and the DACE, and the DOA delegating the Land Bank the authority to provide farmers with loan finance;
- differences in administrative decentralisation arrangements between the DACE and the NWPLRO, which has an influence on:
  - o the functional responsibilities of the two institutions;
  - o the appointment of administrative heads;
  - o the strategic goals and objectives of both institutions, which informs the performance contracts of the senior managers;
  - o the delegated authority of the administrative heads of both institutions;
  - o the funding arrangements;
  - o the staffing arrangements;
  - o the procedures and work methods;
  - o the reporting and accountability arrangements;
  - o the administrative capacity of both institutions;
  - o the main stakeholders who are supposed to play a role in LRAD programme administration, and the roles they are supposed to play; and
  - o the action/interaction strategies that management takes to administer the LRAD programme.

Administrative capacity: The lack of administrative capacity of the DACE has been clearly established. The administrative capacity of an institution:

- is a consequence of the policy context as described above;
- is an intervening variable for managerial action:
    - administrative incapacity (e.g. human resource capacity) constrains management from taking certain action/interaction strategies pertaining to the administration of the LRAD programme, e.g. providing technical support during the design of LRAD projects;
    - administrative capacity (e.g. availability of grant funds) enables management to take certain action/interaction strategies pertaining to the administration of the LRAD programme, e.g. providing post-transfer financial support to beneficiaries of the LRAD programme;
- is also influenced by the action/interaction strategies that managers take with a view of improving administrative capacity, thus managers are:
    - not viewed as being completely incapacitated by the LRAD programme administration context as described above, and
    - capable of taking action to improve the administrative capacity of their institutions (e.g. provision of services through market mechanisms);
- results in certain consequences, which when present, result in either the effective or ineffective administration (i.e. as defined by achievement of policy goals and objectives) of the LRAD programme.

Co-ordination: Programme co-ordination is manifested in two ways, namely:

- as the tangible action/interaction strategies that management have put in place to co-ordinate the administration of the LRAD programme (e.g. alignment of systems and procedures between the DACE and the NWPLRO); and
- as a consequence of the actions put up by management, which results in the achievement or non-achievement of LRAD programme objectives (i.e. as indicated before, in this context, the LRAD programme is considered to be well co-ordinated or not, depending on how well the programme outputs have been achieved).

6.15 CONCLUSION

The North West Province lags behind in terms of delivering on the number of hectares it is expected to transfer if the target of 30% of White-owned agricultural land redistributed to Black people is to be achieved by 2014. The turnaround for processing of applications is long, especially during the planning/design phase. This factor impacts on the number of hectares that the Province can transfer in a given financial year. In spite of the fact that hectares of land were redistributed under the LRAD programme, there were administrative problems that resulted in:

- the setting of targets below what the province was expected to deliver; and
- the long turnaround in terms of project approval and/or transfer.

The policy content in its broadest sense (i.e. from the Constitution to the LRAD policy framework) provides the context within which the LRAD programme has to be implemented. The context, in turn, determines the action/interaction strategies that management can take to administer the LRAD programme, and impacts upon the administrative capacity of the DACE and the NWPLRO. The administrative incapacity of the DACE is both an intervening variable and a consequence of the action/interaction strategies taken by management. The administrative incapacity of the DACE as manifested in terms of human resource capacity, impacted on the ability of both the NWPLRO and the DACE to carry out their individual mandates, as well as their collective mandate to administer the LRAD programme. The shortage of engineers and economists from the DACE impacted on business plan development for both the DACE and LRAD projects. The administrative incapacity further impacted on the ability of the DACE and NWPLRO to collaborate well, mainly during the planning/design phase where joint planning and sharing of resources are critical.

In spite of the fact that the DACE, the NWPLRO, and the Land Bank belonged to the same Ministry for Agriculture and Land Affairs, enforcing intergovernmental relationships was not an option given firstly, their autonomy as government institutions, and secondly, that government prescripts recommend co-operative governance above enforced co-operation. This left the senior managers at the provincial level with the option of talking to one another in order to streamline administrative systems, processes and procedures. The programme itself was designed in such a manner that recognises the reality of co-

operative governance, thus leaving scope to the administrative executive at provincial level to work within the broad framework and statements of principle (i.e. of the Constitution, IGRF Act, and Framework for Implementing Joint Programmes), by developing modalities for collaborative administration of the LRAD programme. To ensure that the administration of the LRAD programme is initiated and sustained, the NWPLRO has since assumed the role of lead organisation in the administration of the programme. This is by virtue of having assumed the responsibilities assigned to the DACE in terms of LRAD administration (e.g. in terms of convening meetings of the PGC and providing secretariat services).

Ineffective collaboration, as epitomised by a failure to deal with the problems raised by the NWPLRO of linking administrative systems and procedures between the LRAD administering institutions, manifests a weakness of the senior administrative officials of the provincial and national Government, and the in-effectiveness of the intergovernmental structures for policy co-ordination such as the Land Reform Policy Co-ordinating Committee, ITCAL and MINMEC. Ineffective alignment of administrative systems and procedures is a factor that has a direct bearing on:

- post-transfer sustainability of LRAD projects;
- the ability of beneficiaries to retain farms that have been transferred to them; and
- the number of hectares of agricultural land in the hands of the target beneficiaries of the programme.

The following chapter will present a model to explain the complex relationship between the factors involved in LRAD programme administration in the North West Province. The chapter will also make recommendations for consideration by policy-makers and implementers alike.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

The previous chapter presented the findings and preliminary conclusions based on oral and documentary evidence gathered. This chapter will present a model depicting the interrelationships among factors responsible for poor administration of the LRAD programme in the North West Province. Before the model and the recommendations are presented, the steps to the preceding chapters will be retraced.

Chapter 1 presented arguments for the relevance of qualitative research methods for this research project. It was argued that in qualitative research, the experiences of the subjects of research must be tapped into since they are the ones who give effect to the administration of the LRAD programme and are best placed to provide oral and documentary evidence of their encounters. However, it is the role of the researcher to go beyond the untested experiences of those responsible for administering the LRAD programme, by synthesising the data into information that not only conforms to the scientific dictates of conducting social science research, but can explain to the reader what happened with regard to LRAD programme administration in the North West Province.

The research question is about the impact of the policy framework of the Government on the effective administration of the LRAD programme (i.e. achievement of the LRAD programme policy goals and objectives). It was explained that the policy content provides the framework and policy context within which the LRAD programme has to be administered, which, in turn, determines the administrative capacity of the institutions responsible for administration of the programme, as well as impacts upon the action/interaction strategies taken by managers.

Chapter 2 gave a historical background to the problem of land dispossession in South Africa, which gave rise to the adoption of the redistributive policy of the LRAD programme by the new democratic Government. In discussing the achievement or non-achievement of the targets for the LRAD programme, the aim was to highlight how well the current Government is doing to reverse the past injustices meted out against Black people in terms of land ownership and/or use.

Chapter 3 gave an explanation of the scientific literature on Public Administration generally, but with specific reference to the administration of the LRAD programme. The intention of the chapter was to identify gaps that might exist in the literature, and to use some of the findings to deal with gaps in the literature. Scientific literature was also used to explain the policy dilemma and to indicate that even though this was a case study confined to the experiences of the North West Province, some of the findings can be reasonably expected to happen in other provinces of South Africa.

Chapter 4 provided the international perspective on administration of the land redistribution programmes. The experiences of Brazil and the Philippines were used mainly because both countries share similar backgrounds in terms of colonisation, land dispossession of indigenous people by colonial masters and in terms of the process of redressing the injustices of the past, the World Bank was a common denominator in designing market-led agrarian and land reform programmes. The commonalities of experiences in both countries in relation to the South African situation in terms of politically vested interests, insufficient financial resources for administration of redistribution programmes, and weak administrative capacity, were among others, highlighted.

Chapter 5 followed from the preceding chapter on international experience, by providing the national context within which the LRAD programme was implemented. The research question concerned the policy framework for the administration of the LRAD programme, and outlined this context in detail. The chapter was also instrumental in explaining and providing context to the findings as presented in Chapter 6.

Chapter 6 provided the findings based on the views of the respondents, as well as documentary evidence. The findings were synthesised with scientific literature as explained before, to indicate where similar observations can possibly be replicated in other provinces. The policy context, administrative capacity and poor co-ordination emerged as the main constraints impacting upon the administration in the North West Province. These findings put public administration at the centre of factors responsible for effective administration of the LRAD programme in the North West Province.

The important lessons learnt pertaining to the administration of the LRAD programme in the North West Province can be summarised in figure 7.1. The figure shows the interrelationship between a number of factors, as well as the dynamism of the policy environment.

Figure 7.1: Factors affecting LRAD programme administration in the North West Province

Policy context
Constitutionally allocated functions of Government
Administrative decentralisation of authority
LRAD policy framework
Administrative policy of Government

Phenomenon
Effective administration of the LRAD programme in the North West Province

Consequences
Ineffective co-ordination of the LRAD programme
Prolonged approval of LRAD applications
DACE not predisposed to technically support LRAD programme administration

Intervening variables
Weak administrative capacity of the DACE

Action/Interaction strategies

NWPLRO:
Developing operational plans for LRAD programme administration
Establishing institutional structures for LRAD administration
Identifying additional stakeholders to serve in the institutional structures for LRAD administration
Committing human resources to serve in these structures
Assuming from DACE the role of convening PGC and providing secretariat services
Regularly convening meetings of DLRC and PGC
Processing LRAD applications
Approving planning and LRAD grants
Transferring approved LRAD projects to beneficiaries
Accounting administratively for the administration of the LRAD programme

Action/Interaction strategies

DACE:
Developing strategic objectives in support of LRAD programme administration
Committing human resources to serve in the institutional structures for LRAD programme administration
Developing feasibility reports for LRAD projects
Providing CASP funding to a few of the approved LRAD projects

Action/Interaction strategies

Land Bank:
Committing human resources to serve in the institutional structures for LRAD programme administration
Processing applications for the LRAD grant under the agency agreement
Providing loan funding to LRAD programme applicants whose projects require loan funding in order to purchase land

7.1 EFFECTIVENESS OF LRAD PROGRAMME ADMINISTRATION

The LRAD programme has to redistribute 30% of White-owned agricultural land to Black people by March 2014. In terms of the North West Province, this translates into land redistribution of 2 035 680 hectares (i.e. 30% of 6 785 600 hectares of White-owned agricultural land in the province) by 2014.

- From the above figure, 172 656 hectares of agricultural land already transferred through land redistribution programmes until March 2007 is deducted, and 1 863 024 hectares had to be delivered over the remaining seven financial years until March 2014.

- When compared with the average annual transfer of 28 776 hectares between the 2001/02 and 2006/07 financial years, this translates into an annual target increase of 825%, or additional 237 370 hectares of agricultural land to be transferred annually (i.e. additional to the 28 776 hectares the province has on average been transferring annually since 2001) by the North West Province in order to reach the target of 2 035 680 hectares transferred by March 2014.

- The NWPLRO targeted to transfer 10 325 hectares during the 2003/04 financial year, 33 166 hectares during the 2004/05 financial year, 36 482 hectares during the 2005/06 financial year and 40 130 hectares during the 2006/07 financial year, the annual targets which the NWPLRO considered 'realistic'. These annual targets by the NWPLRO were well below the area of White-owned agricultural land to be redistributed annually if the target of March 2014 is to be achieved.

- Based on the above information, the 30% target of 2 035 680 hectares of White-owned agricultural land in the North West Province will not have been redistributed to Black people by March 2014.

Any increase in the annual land redistribution targets by the North West Province has the following implications:

- The budget allocation by the national Government to the land redistribution programme would have to increase drastically if the land redistribution target of March 2014 has to be realised. The land reform budget allocation for the NWPLRO for the 2006/07 financial year was less than that of the 2005/06

financial year by 27%, after an amount of R183 000 000 was deducted in the 2006/07 financial year through the virement process from the national land redistribution programme, thus a shortfall in the land reform allocation to the NWPLRO. The land reform budget allocation for the NWPLRO for the 2004/05 financial year represents an 8% increase over the 2003/04 financial year of R35 033 000, and the 2005/06 financial year allocation represents a 34% increase over the 2004/05 financial year allocation of R40 400 000. Other than the 2006/07 financial year, the budget allocation for land reform programmes (i.e. LRAD programme, Extension of Security of Tenure and Commonage projects) for the NWPLRO has been on the increase, but would have to increase significantly more than the annual increase described above if the current backlog of agricultural land redistributed to Black people has to be resolved. Further motivation for the land reform budget increase is based on the high price of agricultural land, whose market value increases every year.

- The LRAD is a market-led programme which requires the co-operation of willing sellers to make the land available, and willing buyers to take the initiative of purchasing the available land. Increasing the budget for land reform will not translate into an increase in agricultural land redistributed unless the potential LRAD programme beneficiaries and land owners co-operate.

- An increase in the number of LRAD projects processed requires a commensurate increase in the administrative capacity (i.e. in terms of human resource capacity) of both the DACE and the NWPLRO, to plan/design projects for submission to the decision-making committees.

7.2 ADMINISTRATIVE INCAPACITY OF THE DACE

The NWPLRO has been dependent on the DACE for the development of feasibility reports during the design phase of LRAD projects, and to develop business plans for transferred projects. The DACE has suffered from administrative incapacity (i.e. in terms of financial and human resources), due mainly to the shortage of agricultural engineers and agricultural economists, both of which play a very important role in the planning/design phase of development projects. This constraint not only impacted on the ability of the DACE to deliver services for programmes which were its functional responsibilities, but also programmes for which it was mandated to administer

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collectively with other government institutions. In the context of the LRAD programme, the NWPLRO is of the view that the administrative incapacity of the DACE resulted in late submission of feasibility reports, a situation that result in prolonging the approval process for LRAD projects.

Given the norm set by the NWPLRO of targeting to approve LRAD applications within 90 days from submission of an application, this research has established that between the financial years 2001/02 and 2006/07, it took on average 130 days (calendar days) for a project to be approved by PGC (this period was certainly swung upwards by a few projects which took extremely long before they could be approved). The prolonged approval process means that:

- not all the projects planned to be transferred in a given financial year, are transferred within that financial year; and
- the North West Province will not be able to redistribute the area of agricultural land that is to be redistributed annually (i.e. 266 146 hectares) if the land redistribution target for the North West Province is to be reached by March 2014.

It has been demonstrated in Chapter 5 that 66% of the hectares of agricultural land transferred (i.e. 25 813 hectares out of a total of 38 853 hectares) in the 2005/06 financial year emanates from projects that were approved in the 2004/05 financial year, a situation that not only indicates that the approval process for LRAD projects is prolonged, is inefficient, is ineffective and results in backlogs that are carried over into the next financial year/s.

7.3 INEFFECTIVE INTEGRATION OF GOVERNMENT POLICY

CASP was established as a support programme by the DOA, to enable provinces to provide financial support to land reform beneficiaries whose projects have an agricultural component. One of the conditions attached to the programme is that a minimum of 70% of the funds must be used for land reform projects. The NWPLRO has since the 2004/05 financial year complained about the lack of alignment of systems between the NWPLRO, the DACE and the municipalities, specifically indicating that the DACE did not support land reform projects sufficiently with CASP funds. The respondents from the DACE were

of the opinion that DACE management was not committed enough to the land reform programme of the Government.

This research has established that in the 2006/07 financial year, only 22% of the CASP grant funds were used to support land reform projects, as opposed to the prescribed minimum of 70%. Given that CASP grant funds are conditional funds (i.e. funds allocated to provinces with specific conditions attached to them, one of which is the 70% minimum as indicated in the foregoing statement), the conditions attached to the programme were not complied with by DACE management.

The failure of DACE management to sufficiently support land reform projects with CASP grant funds as was intended by the national Government is indicative of ineffective integration of development planning between the NWPLRO and the DACE, especially during the project design and approval phases. The NWPLRO respondents have already indicated that when LRAD projects are appraised, the sustainability of projects can be better determined when the financial and other resource contributions of other stakeholder institutions are known. A lack of integrated planning resulted in both the NWPLRO and the DACE engaging in separate project approval processes for grant funds under their jurisdiction, and in LRAD projects, requiring post-transfer funding, being approved by the PGC without any indication from the DACE whether they will receive CASP grant funding. Unless such projects are given post-transfer resources, they will not be able to sustain agricultural production. Failure to produce and generate income will ultimately result in the beneficiaries being forced to either lease out the farm or sell it altogether thus defeating the long-term goal of redistributing White-owned agricultural land to Black people.

The ineffective alignment of systems between the NWPLRO and the DACE is also due to the differences in decentralisation of administrative authority between the two institutions. Agriculture is a concurrent function between the DOA and the DACE. The DACE decides before the beginning of each financial year which projects are going to be funded, and after the DOA has satisfied itself that the DACE has met the basic conditions attached to the CASP, approves the projects and releases the funds. The funds for the DACE are allocated to the DACE through the annual Division of Revenue Act (as promulgated each year). The projects to be funded from the CASP are approved

all at once before the beginning of the financial year. The implementation of such projects, including spending all of the allocated funds under CASP, forms part of the performance contracts of senior managers of the DACE.

Land is a national sphere competency; as such the NWPLRO performs the functions of the DLA, which were de-concentrated to the provinces. Though the chief director of the NWPLRO was granted the authority to approve the release of the LRAD grant after the PGC had approved the project, control of the LRAD grant funds had been centralised at the DLA. Given the fact that the LRAD programme is market-led and demand-driven, the NWPLRO (i.e. through the PGC) does not approve LRAD projects all at once before the beginning of the financial year as the DACE does, but recommends them as and when they are ready for submission to the PGC for approval. It is only when a project has been approved by the PGC, and is ready to be registered in the name of the buyers that the DLA makes payment of the LRAD grant to the conveyancing attorney. The centralised management of LRAD grant funds by the DLA allows the management of this institution some flexibility to transfer funds during a financial year to provinces which could be experiencing increased demand for land purchase that it cannot meet with its financial allocation.

The performance of management of the DACE and the NWPLRO is measured in terms of achievement of targets as indicated in the strategic and operational plans, consistent with the New Public Management Approach that has entered the South African Public Service. However, it is DACE management that experiences more pressure to perform. Like all senior managers in the South African Public Service, the DACE management performance is incentive based. The management is expected to spend 100% of all the CASP funds allocated to the department within a given financial year, of which 25% must be spent each quarter on a cumulative basis. Failure to successfully spend CASP grant funds not only impacts negatively on their performance-based incentives, but it carries with it the risk of CASP funds being diverted to other provinces, as well as reduced future allocation of CASP funds to the DACE.

The two systems for managing the LRAD grant funds and CASP grant funds as described above are incompatible. The previous chapter indicated that performance contracts can promote:

- the 'check-list' mentality, an attitude whereby if managers are of the view that responsibilities pertaining to LRAD programme administration do not form part of their performance targets; they will not perform them even though such responsibilities are instrumental for promoting the general welfare of society;

- self-interest, whereby managers would pursue those objectives that increase their chances of realising their performance incentives, such as achieving 100% expenditure of the CASP programme budget irrespective of whether particular prescribed conditions have been met; and

- a failure to pursue collective interest, an attitude whereby managers would be reluctant to co-operate with other institutions for collective achievement of LRAD programme objectives, if these do not form a part of their performance contracts, or will reduce their chances of getting their performance incentives.

The pressure to meet expenditure targets in terms of the CASP grant funds can promote a spirit of individualism from DACE management. This is more so, given the fact that performance by DACE management in respect of CASP funds was incentivised by the DOA more on the basis of management meeting the CASP expenditure targets, and less on having supported LRAD projects or having integrated the CASP grants with LRAD grants. Ineffective integration of CASP with the LRAD programme was incentivised by the DOA as evidenced by the predictable, continuous and increasing supply of CASP funds to the DACE, funds which were not entirely used in accordance with the conditions attached for their release.

7.4 ACTION/INTERACTION STRATEGIES

In spite of the constraints identified above, there were specific action/interaction strategies that contributed to the achievement of outputs in terms of area of agricultural land. These are listed below:

- Both the NWPLRO and DACE incorporated the goal and objectives of the LRAD programme in their strategic and operational plans, to which resources were committed and management of both institutions held accountable.
- The NWPLRO, the DACE and the Land Bank were instrumental in establishing the DLRC and PGC, as well as keeping these structures operational by assigning human resources to serve in them.
- The role played by the NWPLRO as a lead organisation in terms of convening meetings of the DLRC and PGC, providing secretariat services, and ensuring the participation of additional stakeholders, was also instrumental in terms of ensuring the functionality of these structures.
- The DACE was able to provide the NWPLRO with technical support pertaining to development of feasibility reports, even though the NWPLRO complained about delays in submitting these reports due to weak administrative capacity from the DACE. The Land Bank was also instrumental in supporting the LRAD programme by way of loan funding to qualifying beneficiaries.
- The DLA and DOA operate within the constraint of the budget allocations appropriated by Parliament. In spite of the limited budget for land reform programmes, the DLA was able to support the LRAD programme in the North West Province with the planning and LRAD grants. This support has thus far enabled the NWPLRO to meet the annual agricultural land redistribution targets it had set for itself. Despite the possible failure to meet the conditions set for CASP, CASP funds, which the DOA has made available since the 2004/05 financial year, have benefited some of the land reform projects.

7.5 CONSEQUENCES

Given the constraints as discussed above, the major constraint with regard to the ineffective administration of the LRAD programme in the North West Province is ineffective integration of government policy. Ineffective integration of policy is manifested in terms of the following:

- non-compliance to government prescripts promoting policy integration, as evidenced by CASP;
- incompatibility of administrative systems and procedures between the DACE and the NWPLRO, due to differences in decentralisation of administrative authority; and
- insufficient financial support to government institutions involved in LRAD administration, a situation which not only incapacitates them from effectively executing their functional mandates, but also mandates which they have to perform in collaboration with other government institutions, such as the administration of the LRAD programme.

According to the Constitution of the Republic of South Africa, 1996, land reform is a policy goal of national interest. Sufficient funds must therefore be allocated to the land reform policy and programmes, in accordance with the importance accorded them.

Ineffective integration of government policy results in particular consequences in terms of administration of the LRAD programme as follows:

- the DACE is not predisposed to provide technical support to the NWPLRO in terms of planning/designing projects, as a result of administrative incapacity;
- lack of integrated planning for LRAD projects; and
- prolonged process of approval of LRAD projects.

Due to ineffective administration of the LRAD programme, the North West Province will not be able to achieve the target of redistributing 30% of White-owned agricultural land by March 2014. The problem statement proved that administration is instrumental for the achievement of the land redistribution policy goals and objectives of the Government.

7.6 RECOMMENDATIONS

In view of the conclusions reached above, the following recommendations are made:

7.6.1 Increased funding for the LRAD programme

In order for the North West Province to accelerate its effort towards achieving the land redistribution targets for March 2014, the budget for both the planning and LRAD grants has to be increased more than 100% (i.e. in comparison with the 2005/06 financial year allocation). Thereafter, the annual allocation would have to increase significantly more than the 34% increase from the 2004/05 financial year allocation to the 2005/06 allocation, to account for the escalating market value of agricultural land.

7.6.2 Increasing administrative capacity

An increase in the LRAD grant for the NWPLRO, if matched by increased supply of agricultural land by willing sellers, will result in an increased number of LRAD projects that must be designed and processed. An increase in grant funding must thus be matched by a commensurate increase in the administrative capacity of both the DACE and the NWPLRO. Building the administrative capacity of both requires additional funding for operational expenses. This will:

- enable these institutions to compete effectively in the labour market, in terms of recruiting and retaining critical and scarce skills, which are crucial during the planning phase of LRAD project administration (subject to enabling human resource policies);
- increase their capacity to perform their constitutional mandates; and
- increase their capacity to provide human resources required for joint programme administration.

7.6.3 Alignment of administrative systems and procedures between the DACE and the NWPLRO

LRAD programme applications are submitted and approved throughout the year, while CASP projects are approved once a year. Approval of projects funded under the CASP conditional grants was done by the DOA. Some of the approved LRAD projects are transferred in the financial year following the one they were approved in. Alignment of the project approval systems of the DACE and the NWPLRO would have to entail the following:

- Given the market-led and demand-driven nature of the LRAD programme, LRAD projects would have to be approved as and when they are ready for approval. For CASP to achieve the intended objective of supporting the LRAD programme, the approval process for CASP-funded projects must also be made as and when LRAD projects complying with the requirements for the LRAD programme are approved by the PGC.

- For this alignment to operate effectively, the DOA would have to continue budgeting for CASP as it has been doing. To ensure that land reform projects are fully supported with CASP funds, the DOA would have to retain and manage centrally, the 70% of CASP funds that have been earmarked for land reform beneficiaries, and make available to the DACE the remainder (i.e. 30% of total CASP funds) to fund projects that are not land reform related. CASP projects funded from the 30% of the budget would have to be approved on a once-off basis as is happening currently, for which DACE management would continue accounting in terms of the provisions of the annual Division of Revenue Act.

- For the DACE to release the 70% CASP funds from DOA, the following will have to apply:

  o The decision-making committees of the DLRC and PGC would have to remain in place to adjudicate on LRAD projects. The DLRC would have to continue playing the role of recommending LRAD projects to the PGC, and the PGC playing the role of project approval. For LRAD projects to be assessed as a complete package, they should be appraised by both the DLRC and PGC on the basis of a complete business plan, which should

indicate the funding requirements, as well as the sources of funds as in own contribution such as a loan funding, balance of LRAD grant, CASP funds and other types of support measures from government institutions. The DACE capacity to develop business plans prior to approval of LRAD projects would have to be improved if the projects are to be assessed on the basis of complete business plans as opposed to feasibility reports. Alternatively, where it would not be possible to improve the business plan development capacity of the DACE, market-based mechanisms as initially proposed by the NWPLRO to the DACE, would have to be instituted.

o   In terms of participation by officials in the decision-making structures for the LRAD programme, stakeholders will have to decide between them which officials will serve in the DLRC and PGC, and who will chair the proceedings, but officials who are to serve in the PGC must be senior public managers who can make binding decisions on behalf of the institutions which they represent. Once a project is approved by the PGC, the NWPLRO chief director should, as is currently the practice, notify the DLA through a memo (copy of PGC minutes attached as evidence) jointly signed with the DACE representative, for preparations to be made for payment of LRAD grant funds once the project gets registered. The senior public managers representing the DACE must on the basis of a complete business plan, and with the full knowledge of the balance of the LRAD grant due to the project from the NWPLRO, as well as loan funding from banks, issue a guarantee to the PGC, indicating the amount of CASP funds which the department will make available to the project once it has been registered and transferred to the buyers. While the legal process of transferring the project is under way, the DACE would have to engage in the process (in consultation with the NWPLRO and other relevant stakeholders) of making preparations for provision of post-transfer agricultural support to the LRAD project.

o   The process would have to be managed carefully to the letter and spirit governing intergovernmental relations because in the case of the DLA, once payment is made to the conveyancing attorneys, this signifies the achievement of a major milestone from the DLA's side namely that it would not only have spent its capital budget, but also have transferred

agricultural land. However, from the side of the DACE, transfer of funds would signify the beginning of a process to spend the funds through its supply chain management systems. The financial systems of the Government would have to be flexible to allow rollover of CASP funds, as well as multiyear planning. For the DOA to release funds, when the DACE is in no position to spend such funds before the end of the financial year, and the financial systems are inflexible to allow for rollover of unspent funds, this will create huge problems of under-performance for DACE management. The problem will persist if the performance of the DACE continues to be measured on the basis of ability to spend CASP funds.

o In terms of the process recommended above, the DOA would perform the following roles:

- developing national policy and standards for CASP;
- budgeting for and disbursing CASP funds; and
- monitoring and evaluating the administration of the CASP programme, to ensure compliance with national standards.

The current system of ensuring predictability in terms of CASP funding for various provinces for the MTEF years must be retained, but the DOA would have to be allowed the flexibility to transfer funds between provinces to provide for the needs for additional funding from different provinces, as they would arise from time to time due to differences in demand and supply of agricultural land. The 70% CASP funds earmarked for the support of land reform beneficiaries would have to be disbursed by the DOA to the provincial treasury on a monthly basis, based on submissions by provinces of actual projects approved for CASP funding.

Other than dealing with the issue of alignment of administrative systems and procedures, the proposed approach would ensure sustainability of projects in that all projects would, by the time they have been transferred, have had all the necessary support in terms of funding and technical expertise. The approach would also assist in resolving the following issues:

- Relieving pressure from the DACE management, which has to approve a large number of projects, to be implemented by the end of each financial year.
- Spreading throughout the year, the already weak capacity of the DACE in the form of agricultural economists and agricultural engineers, who play a critical role as far as business plan development, is concerned. The current system of approving all projects at once creates peak demand for these critical skills, which the DACE is in short supply of, when all projects to be funded from the CASP budget as well as equitable share funds require business plans.
- Improving the turnaround for approval of LRAD projects.
- Making it possible for those approving projects to reconcile divergent policy objectives of LRAD administering institutions.

7.3.4 PERFORMANCE MANAGEMENT

In measuring and rewarding the performance of the senior public managers of LRAD administering institutions, emphasis should not mainly be on the extent to which outputs have been achieved, but also in terms of the extent to which symbolic as well as substantive collaboration was demonstrated and realised, as epitomised by the alignment of administrative systems and processes for LRAD administration. Linking performance to concrete consequences can only be done by building and reinforcing these measures within the existing system of performance contracts. This is because none of the administering institutions has the authority to enforce collaboration as described above.

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APPENDIX 1: LAND REFORM INSTITUTIONAL ARRANGEMENTS IN THE NORTH WEST PROVINCE (Source: North West PLRO)

INSTITUTIONAL ARRANGEMENTS FOR LAND REFORM IMPLEMENTATION

PROVINCIAL LEVEL

PROVINCIAL EXECUTIVE COUNCIL
Overall accountability for land reform in the Province

↑ Information/Reporting only

PROVINCIAL LR CO-ORDINATING COMMITTEE
Meets Quarterly to review performance of PGC
(Chaired by MEC: Agriculture, Conservation and Environment)

↑ Information/Reporting only

PROVINCIAL GRANTS COMMITTEE (PGC)
Review and Approve/Disapprove Project

REGIONAL AGRICULTURE OFFICE ←→ **DLA DISTRICT OFFICE** ←→ **DISTRICT COUNCIL**

DISTRICT LEVEL (District Municipality)

DISTRICT LAND REFORM PROJECT COMMITTEE

1. Assess project for viability, E.I., alignment with IDPs, etc.
2. Check project package for completeness
3. Check project for coherence
4. Assess project for eligibility for approval
5. Submit application to PGC

LOCAL LEVEL (Local Municipality)

LOCAL LAND REFORM PROJECT COMMITTEE
'One-stop' Service Centre
Receipt and Screening of applications

APPLICANT

1. Overall responsible for design of projects
2. Select grant size
3. Engage design agent (if necessary)
4. Identify land
5. Value land
6. Enter into a contingent contract with the seller
7. Apply for loan
8. Prepare farm plan (if no design agent)

FIELD SERVICE PLANNER UNIT

Receipt of applications

DESIGN AGENT/PRIVATE DEVELOPER/LAND OWNER

1. Design project proposal and submit to Local Agricultural Office

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APPENDIX 2: Institutional structures for dealing with LRAD applications

		Composition	Terms of Reference
Local Municipality Level	**LLRPC** **Local Land Reform Project Committee**	.District Manager (DLA) .ADC Manager (DACE) .Project Manager (DLA) .Local Municipality .Secretariat (ADC to provide)	.Assess viability of project .Identify planning requirements (feasibility, EIA, valuation, etc.) .Check for alignment with IDPs and LDOs) .Obtain quotation for planning (DLA PROPS) .Recommend the release of the planning grant
District Municipality Level	**DLRPC** **District Land Reform Committee**	.Deputy Director DLA .Regional Director (DACE) .Project Manager (DLA) .District Municipality .Extension Officer .Economist .Environmental Officer	.Review project proposal .Check package for completeness and coherence .Assess project for eligibility for approval
Provincial Level	**PGC** **Provincial Grants Committee**	.Provincial Director (DLA) .CD Regulatory Serv (DACE) .CD Filed Services (ACE) .CD Professional Supp (ACE .Local Govt. .Public Works	.Assess project against provincial criteria .Approve project and the release of funds .Monitor land reform and report to the .Provincial Land Reform Co-ordinating Committee

Source: North West PLRO

APPENDIX 3: LRAD project approval process

Source: North West PLRO

APPENDIX 4: STRUCTURED INTERVIEW SCHEDULE WITH MANAGERS ON ADMINISTRATION OF THE LRAD PROGRAMME IN THE NORTH WEST PROVINCE OF SOUTH AFRICA

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January 2008

PURPOSE:

The questions are meant to draw from key respondents (deputy-directors to chief-director level) their experiences with regard to the administration of the LRAD programme, during the period since inception in August 2001 until the end of the 2006/07 financial year. The study is mainly about the effectiveness with which the LRAD programme was administered. The information gathered through these structured interviews will be used for academic purposes, in compliance with the requirements of a doctoral thesis.

Two implementation "phases" have been identified in terms of this study:

Phase 1: Introduction of the LRAD programme in August 2000.

Two implementation streams were in place, namely the Provincial Land Reform Office (PLRO) route as well as the Land Bank route. The Provincial Department of Agriculture, Conservation and Environment was expected to provide technical support during the pre- and post-settlement stages.

Phase 2: Confined to the financial years 2004/05 until 2006/07.

The Land Bank implementation route was revoked at the end of the 2003/04 financial year; as such LRAD programme administration was driven mainly by the North West PLRO. The Provincial Department of Agriculture, Conservation and Environment was still expected to provide technical support during the pre- and post-settlement stages, as well as provide grant funding to land reform beneficiaries from the Comprehensive

Agricultural Support Programme that was launched in the 2004/05 financial year. Land Bank was expected to continue supporting the process of land redistribution by giving loan finance to qualifying beneficiaries of the LRAD programme.

EXPERIENCE OF RESPONDENTS IN TERMS OF LRAD IMPLEMENTATION

1. Job title…………………………………………………………………..

2. Name of institution working for currently…………………………….…..
3. Number of years working for the institution……………………….……..
4.   How long have you been involved with LRAD administration in the North West Province……………………………………………………………………
5. In what capacity/ties have you been involved with LRAD administration during this period...
6. Can you please spell out clearly what your current role in LRAD administration entails…………………………………………….………………..

OPINIONS OF RESPONDENTS ON KEY DEFINING FEATURES OF A WELL-ADMINISTERED LRAD PROGRAMME, AS WELL AS ROLE EXPECTATIONS OF MANAGERS

7.   In your opinion, what do you think are the key defining features of a well-administered LRAD programme...?
8. What do you think are the critical factors for effective administration of the LRAD programme in the North West Province……………………………
9. What in your opinion should the leadership role of Management be in effective administration of the LRAD programme within your institution……

TAPPING ON THE INSTITUTIONAL MEMORY OF RESPONDENTS PERTAINING TO LRAD PROGRAMME ADMINISTRATION

10. What functional responsibilities came about to your institution as a result of the introduction of the LRAD programme………………………

11. What measures were put in place by your institution to ensure effective administration of the LRAD programme…………………………………..

12. What other measures do you think ought to have been put in place, and the reason/s therefore…………………………………………………………………

13. What in your opinion constrained your institution from putting up all the necessary measures for effective administration of the LRAD programme……………

14. What has been the role of your institution in the administration of the LRAD programme…………………………………………………………

15. Which other institutions were involved in the administration of the LRAD programme………………………………………………………………

16. Which other institutions do you think ought to have been involved in the administration of the LRAD programme, and why…………………………..

17. Did other institutions have to depend on your institution in order for them to effectively implement the LRAD programme

Yes……………………No………………………….

18. If yes to the above question, name the institutions and please describe the nature of the dependency relationship………………………………

19. Having described the dependency relationship above, what in your opinion constrained your institution from effectively performing functions pertaining to the LRAD programme, on which other institutions depended to implement the LRAD programme.

20. Did your institution have to depend on other institutions for it to implement the LRAD programme?

Yes……………………………No……………………………

21. If yes to the above question, name the institutions and please describe the nature of the dependency relationship………………………………

22. How did the institutional dependency described above enhance effective implementation of the LRAD programme by your institution……………

23. What other factors (internal or external to the institution) have enhanced the effective administration of the LRAD programme within your institution…………

24. How did the institutional dependency constrain your institution from implementing the LRAD programme effectively………………………

25. What other factors (internal or external to the institution) do you think constrained your institution from implementing the LRAD programme effectively…………………………

26. Which stage/s or phase/s in the LRAD implementation process do you think was/were impacted negatively by the constraints mentioned in questions 24 and 25 above, and why……………………………………………

27. What measures were put in place by your institution in particular to deal with constraints mentioned above…………………………………

28. What other measures were introduced by government to bring about better co-ordination of administration of the LRAD programme………………

RECOMMENDATIONS SUGGESTED BY RESPONDENTS

29. What recommendations can you make to improve multi-institutional co-ordination of the administration of the LRAD programme…………………

30. What recommendations can you make to improve effective implementation of the LRAD programme within your institution………………

THANK YOU FOR PARTICIPATING

APPENDIX 5: Process for approving LRAD applications in the North West Province

1. Planning phase

1.1 Pre-application stage

The buyer identifies a farm to purchase. After locating a farm to purchase, the buyer negotiates the purchase conditions with the seller. The seller makes an offer, which if the buyer accepts; he/she will then proceed to the next stage of applying for the LRAD grant.

Buyers are encouraged by the NWPLRO planners to negotiate offers which remain valid for a period of three months, since it is considered that within three months the PGC would have made a decision in terms of whether to approve or decline an application. The offer that buyers accept from the seller is considered preliminary by the NWPLRO, since the NWPLRO still has to do property valuation and negotiate price on behalf of the applicant.

1.2 Application stage

The buyer approaches any office of the DACE (at local or district level), the Land Bank, local municipality or District Land Reform Office (DLRO) to apply for the LRAD grant, using a prescribed application form. An application is considered to have been formally received and registered when it has been received by the DLRO, which implies that in cases where an application is submitted to the DACE, Land Bank, or local municipality, these institutions then forward the application to the DLRO.

Once the DLRO receives an application, it is registered in the database of applicants, a file is then opened with a file number and the project allocated to a planner. The admin clerk does the basic administration work of opening project files for all projects received by the DLRO.

The planner would once he/she receives a file for the project do the following:

- screen the application for compliance with procedures governing the LRAD programme;
- calculate the amount of LRAD grant which the applicant qualifies for;
- write an acknowledgement letter to the applicants to indicate among others the following:
    - additional information that must be submitted by the applicant;
    - the need for applicants to form a legal entity if they had not done so;
    - based on the preliminary value of assets owned by the applicant, the LRAD grant amount which the applicant would qualify for;
    - in the case where the LRAD grant would be insufficient to purchase the farm, to inform and advise the buyers to remedy the situation by for example applying for a loan at the Land Bank or any other commercial bank; and
    - where the application form provides all the required information, and the applicant does not meet the conditions attached to the LRAD, he/she will be informed as such and the file will be closed;
- do a deeds search to ensure that the seller is indeed the owner of the property;
- liaise with the Commission for Land Restitution to ensure that there is no valid restitution claim lodged against the property;
- send a request to the DACE local office for assistance with:
    - a technical assessment of the farm;
    - compilation of a feasibility report, to ensure that if the project is not feasible, it is rejected before much government resources are wasted on it;
- the planner works with the Agricultural Extension Officer from the DACE in compiling the farm assessment and feasibility reports, which activities also involve engaging the applicants to confirm (i.e. through farm inspection) information as submitted in the application form:
    - the correctness of all the basic information (e.g. their particulars and profile;
    - the size of farm;

- o the basic farming activities being undertaken on the farm;
- o the available infrastructure; and
- o the purchase price.

1.3   First presentation to the Local Land Reform Committee or District Land Reform Committee

In the North West Province, it was originally planned to have three committees, namely Local Land Reform Committee (LLRC), District Land Reform Committee (DLRC) and Provincial Grants Committee (PGC) (see Appendices 1-3), however, there are differences between the four DLROs in terms of the committees that assesses the LRAD applications as follows:

- Bojanala Platinum District Municipality: The applications are processed by one committee (a hybrid between LLRC and DLRC) before reaching PGC.
- Ngaka Modiri Molema District Municipality: The applications are processed by one committee (a hybrid between LLRC and DLRC) before reaching PGC.
- Dr. Kenneth Kaunda District Municipality: Has both the LLRC and DLRC, through which the application must pass before it reaches PGC.
- Dr. Ruth Segomotsi Mompati District Municipality: Has both the LLRC and DLRC, through which the application must pass before it reaches PGC.

The planner can prepare and make an introductory submission of the application to the DLRC, in both of the following cases:

- Applications for which the planner does not have all the required information (e.g. where the applicant/s meet the basic requirement for the LRAD programme but still have to furnish the planner with additional information he/she has requested). The purpose with such an introductory submission to the DLRC is:

   - o For the committee to be made aware of the existence of such a project. The DLRC can after briefly considering the submission, reject the application outright based on factors such as exorbitant

cost of the land (based on facts) as specified in offer-to-sell agreement, and non-compliance to policy. In the instance where the application is rejected, the applicant shall be notified and the file closed.

- o In the instance where the DLRC is of the view that there is merit in proceeding with the application to the next stages, the planner would be advised on the basic issues (e.g. land price and feasibility), which he/she must consider when he/she comes back to the committee to make a second submission, to request a planning grant.

- o For the DLRC committee to start the process of tracking progress on the project, since it would have been captured in the minutes thus making tracking easier.

- Applications for which the planner has all the required information. The purpose of such a submission to the DLRC is:

  - o for the committee to be made aware of the existence of such a project;
  - o to identify planning requirements (e.g. property valuation);
  - o to request that a planning grant be approved;
  - o for the committee to check for compliance with the requirements of the LRAD programme, and advise the planner on the issues that he/she must consider when taking the application forward to the next stages; and
  - o for the DLRC to either reject the application outright, or approve the request for the planning grant (with or without corrections), after having considered it.

After the planning grant has been approved by the DLRC, the DLRO Manager (who is the DLRC Chairperson) will do the following:

- Have the Project Information Report (PIR) prepared, which he/she will then sign.

- Fill in the necessary form to provide information as required in the Basic Accounting System (BAS).

- Submit the PIR, BAS information, and a copy of the DLRC minutes directly to the DLA, for the DLA to register the project in the BAS system. A copy of the minutes sent to the DLA provides proof that the request for the release of the planning grant has been approved by the DLRC, and to prevent the DLRO Managers from taking arbitrary decisions pertaining to approval of planning grants. It is important for the project to be registered in the national BAS system because without this, the planning services cannot be procured for the project, and the LRAD grant cannot be paid. The BAS system thus creates an identity for the project, against which all financial transactions for the project shall be referenced to ensure proper controls.

- In the meantime, while the process of registering the project in the BAS system is unfolding, the planner would prepare the terms of reference (TOR's) for the appointment of the planning service provider.

- Once the DLRO receives official confirmation from the DLA that the project has been registered in the BAS system, the DLRO Manager would then prepare the necessary documents (attaching the terms of reference to the submission) for submission to the NWPLRO, for procurement of planning services for the project (only service providers who are in the DLA database are considered for appointment). The NWPLRO does the appointment of the service provider, and informs the DLRO.

Once the service provider (e.g. property valuer) has been appointed, he/she will prepare, for example, a property valuation report which must be handed to the planner appointed for the project. The planner would:

- Monitor the work of the service provider to ensure that it complies with the terms of reference for his/her appointment

- Once he/she receives a report (e.g. property valuation report) from the service provider, use such a property valuation report (which is the official and legal tool which planners use to negotiate down the purchase price of farms) to negotiate (together with the buyers) on behalf of buyers with the seller for a reduction in the land purchase price. The planner cannot

negotiate indefinitely, as such, irrespective of whether the seller agrees to reduce the price or not, the planner would prepare a detailed submission to be presented to the DLRC for a decision on whether to recommend the project to PGC or not. In the detailed submission, the following documents would be attached:

- o cover memo providing a summary of the application, and formally requesting release of the LRAD grant;

- o profile of buyers;

- o profile of seller;

- o valuation report;

- o proof of own contribution;

- o feasibility report, or business plan (when available);

- o if Land Bank loan was secured, a letter of confirmation;

- o a letter from the Commission for Land Restitution confirming that there is no valid claim against the land; and

- o If the land to be purchased through LRAD grant is state land, a letter of authorisation from the Minister of Rural Development and Land Reform for the release of the described state land.

1.4   Presentation to the DLRC for recommendation to PGC

The planner would once he/she has all the required information to make a detailed submission, submit a request to the secretariat of the DLRC to include his/her application in the agenda for presentation to the DLRC, as a detailed submission requesting recommendation to the PGC. The planner would then make a presentation to the DLRC, requesting it to recommend to the PGC the release of the LRAD grant. The DLRC can make one of the following decisions:

- • Decide not to recommend the application to the PGC. If a project is not recommended, the file will be closed and the applicants informed as such. However, if it has the potential to be resubmitted after short-comings as

identified by the DLRC were corrected, the planner would address the shortcomings for resubmission later.

- Recommend the application to the PGC, subject to corrections identified by the DLRC being made first. If there are any corrections to be made, it would be up to the DLRC Manager to ensure that these are made.

- Recommend the application to the PGC without any conditions attached. The decision process of the DLRC is consensus based.

2. LRAD grant approval phase– PGC level

2.1 Submission of request for approval of LRAD grant to the PGC

The DLRO would, after the application has been recommended by the DLRC, prepare a formal submission to the PGC. The application would contain all the attachments as were submitted to the DLRC plus others as deemed necessary by the DLRC, with the exception that in the cover memo the planner would be requesting the PGC to approve the LRAD grant. The application must be submitted a minimum three weeks before the scheduled meeting of the PGC. The reason for submission of the documents three weeks earlier is:

- To afford the PISU at the NWPLRO, and all the PGC members, an opportunity to scrutinise the application for compliance with official policy, and to make policy-related as well as general inputs on the submission before it can be presented in the PGC sitting,

- To avoid having the PGC decision-making processes being slowed down with petty issues that should have been dealt with at DLRC level.

- To ensure that inputs/comments made are communicated back to the DLRO Manager for him to attend to so that when the application is resubmitted to the PGC secretariat, it is ready for consideration by the PGC. The comments/inputs are made in writing for each project and sent to the DLRO for them to be attended to via the PGC secretariat. The project could be temporarily withdrawn if the comments/inputs are major, so as to allow time for the DLRO to work on the submission. The corrected submissions are sent back to the PGC secretariat before the sitting of the PGC.

The role of the PISU in supporting the PGC is to do quality check of the submission in terms of, among others:

- compliance with policy;
- ensuring that relevant documents have been attached;
- ensuring correctness of the cover memo; and
- ensuring corrections in line with the DLRC minutes (i.e. whether any conditional issues raised by the DLRC when it recommended the application have been dealt with).

2.2 Approval of the application

The planner, accompanied by the DLRO Manager plus other team members (e.g. agricultural extension officer from the DACE), presents the application to the PGC. The PGC would scrutinise the application, and make one of the following decisions:

- Reject the application. In this instance the applicant will be informed of the decision of the PGC as well as reasons therefore. The project file will then be closed.

- Refer the project back. The application will be referred back for certain issues/concerns as identified by the PGC to be attended to by the DLRO. Once the issues have been dealt with, the application can be resubmitted later.

The PGC approval process is consensus based. Once the PGC approves the application, the chief director for the NWPLRO (who is PGC chairperson) would prepare and sign a memo to be submitted to the DLA, indicating approval of the LRAD grant and for the DLA finance directorate to begin making preparations for payment of the grant once the conveyancing process begins. The DACE representative in the PGC, as well as the DLRO Manager of the affected LRAD project, would also co-sign the memo to the DLA approving the release of the LRAD grant. The memo would be submitted to the DLA, together with a copy of the PGC minutes reflecting the approval decision made on the project.

The decision for the release of the LRAD grant would then be communicated to the following:

- The buyer of the property

- The seller of the property

3. Property registration and transfer - conveyancing phase

The property transfer process happens as follows:

- The DLRO would draft the TOR's for appointment of property transferring/conveyancing attorneys. The TOR's would then be sent to the NWPLRO for appointment of a service provider.
- The transferring attorneys would then draft a deed of sale to be signed by both parties (i.e. the buyer & seller). The draft deed of sale would be submitted to the DLRO to check for correctness before signing off by the buyer and seller.
- After signing, the DLA will then issue a guarantee letter to the transferring attorneys, giving an assurance that the transaction is going ahead, and that there are sufficient funds available (funds for land purchase plus transfer costs). In case where a portion of funds for the purchase of the property are loan funds, the bank will also issue a guarantee letter to the transferring attorneys indicating the availability of loan funds.
- The transferring attorneys will then lodge the documents with the deeds office for registration of the property

While the above-mentioned property registration processes is unfolding, the planner will in the meantime do the following:

- Prepare a package of the whole documentation required for payment purposes, which includes:
  o Original invoices from transferring attorneys, which covers land price plus transfer costs.
  o A copy of certified memo from the PGC.
  o A certified guarantee letter.

- A memo to the DLA finance section, requesting payment from the LRAD grant funds (i.e. for land purchase plus transfer costs).
- The package would be sent to the NWPLRO to capture the information for payment, but authorisation will be done by the DLA. After capturing, the whole package (documentation) will then be sent to the DLA to make payment. The reason why these processes have to run concurrently is that come the day of transfer, when the project manager receives notification of transfer or registration of the property, he/she has to immediately notify the finance section at the DLA national office to process payment to the trust account of the transferring attorneys. Payment takes place within 48 hours after the DLA has received formal notification from the NWPLRO to make it. Once the necessary conditions have been met (including payment of LRAD grant funds to the seller), the property would be registered in the name of the buyers, and transferred to them.

4. Post-transfer phase

Once the project is transferred, the applicants must start farming. For them to start farming they would need the following:

- agricultural extension support;
- funding from the balance of LRAD grant (i.e. balance of grant if any);
- CASP funding from the DACE; and
- production loan from a financial Institution (if any).