

Nationalisation of South African agricultural land: Prospects and difficulties†

1. Introduction

The World Bank (1974), in a sector policy paper, has identified six main agricultural tenurial systems:

- the Asian Feudal system (estates worked by small sharecroppers);
- the Latin American Feudal system (large estates run by the owners or their managers who employ hired labour, sometimes sharecrop farmers);
- the traditional African tribal system (the land belongs to the community, which allocates it among the various families);
- the system of individually run farms in market economies (which is based on individual ownership);
- the socialist system, in which the land belongs to the State and is allocated in accordance with the goals set out in a plan; and
- the ranch and plantation system (managers and salaried staff).

In South Africa we have almost all of these tenurial systems with individual ownership dominating in the commercial sector¹ and traditional African tribal system and state-corporate farming dominating in homeland agriculture.²

In Section 2 of this paper the existing structural imbalances in our agricultural sector are discussed together with some approaches of agricultural policy to solve structural problems.

In Section 3 a framework of analysis of man's use of land is presented.

Section 4 is an attempt to find a way for equitable growth with some examples of affirmative action programmes. Section 5 discusses some strategies for growth with equity.

Section 6 discusses criteria to be followed when planning a land reform or nationalisation programme. In conclusion the paper gives some strategy choices.

2. Structural imbalances in South African agriculture

Structural imbalances in an economy can be defined as a non-Pareto allocation of resources (McCarthy, 1988). With regard to agriculture, such imbalances may involve a less than optimal resource allocation between agriculture and the rest of the economy, and between subsectors of the agricultural economy, with resultant symptoms of inefficiency and inequality.

It is recognized that a major source of injustice in the South African economy is the inequitable distribution of land, inputs and product markets. In old times (and still today in traditional systems) farming and agriculture were regarded as synonymous. Within a modern agricultural sector farming (agricultural production) is only one of a series of functional components. The other components determining the success of the agricultural sector are as follows:

- commercial activities supporting agriculture e.g. the manufacture and distribution of agricultural requirements, marketing and processing services, credit and financing

services. The farmer himself has to pay for these whether or not they are supplied by private or public organizations;

- non-commercial activities supporting agriculture e.g. agricultural research, information services, education and training. Farmers usually pay indirectly (income tax) for these services;
- the agri-milieu, which is a combination of all the influences affecting agricultural activities in general. Some of these are of an economic nature, namely:
 - * the level of development of the inland industrial sector and the related demand for farm produce;
 - * the level of non-agricultural employment opportunities;
 - * price and tax policy;
 - * foreign trade opportunities;
 - * inland distribution of income;
 - * physical infrastructure; and
 - * the population growth rate.

Another very important section of the agri-milieu consists of and is influenced by political factors, namely:

- * land tenure policy;
- * general development policy;
- * agricultural development policy; and
- * the extent to which farmers take part in political processes.

Other aspects of the agri-milieu are of a cultural nature:

- * traditions and values of the people;
- * community structure; and
- * standard of general education and training.

This is thus a complex environment and the situation in South Africa is further complicated by the dualistic environment of agricultural production (Fényes *et al* 1988). The role and contribution of the agricultural sector are essentially derived from income and employment effects throughout the economy. In this respect it is important to realise that these linkages and multipliers give the agricultural sector a far wider impact on the economy than through direct effects alone. For example, the contribution of the agricultural sector to the GDP is at present 5,3%, with 13,6% of economically active people directly employed in agriculture. The total impact of the agricultural sector on the economy is, however, measured as 12,8% of GDP and 24,4% employed (Van Zyl and Van Rooyen, 1990). The white farming sector, which is capital intensive, commercially orientated and produces a surplus, exists alongside small-scale, subsistence-orientated black farming in the homelands. The performance levels, cost structures and levels of activity of these "two agricultures" differ considerably. For example, white commercial farming produced an output of R1 298 per man (R119/ha cultivated) in comparison to R65 per man (R34/ha cultivated for black smallholder agriculture). Although each sector "employs" roughly the same number of people, the commercial sector's area cultivated covers about six times the land under developing farming (Cobbett, 1987) and the output per commercial worker is more than twenty times the output of a smallholder. In spite of substantial increases in production levels, mainly through project investment in developing agriculture, indications are still that the production gap between smallholder and commercial agriculture has been widening consistently while at the same time the black population has increased at a rate of 3,1% per annum. Consequently black rural areas have become increasingly dependent on food imports from the commercial sector. An assessment of the prevail-

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ing situation in South Africa's "two agricultures" highlights the different milieu in which each operates. The commercial farming sector generally operates under farm business principles, encouraging commercial production, while comprehensively supported by specialized private sector service institutions and organisations such as the Land and Agricultural Bank of SA, Agricultural Marketing Boards, the co-operative movement, research institutions and a strong political lobby in "Organised Agriculture".

Government support through subsidies, tax concessions and protection of this sector is also of long standing, although indications are that some of these measures are on the way out (Van Rooyen 1989, Fényes *et al* 1988b, Lamont 1990).

Agriculture and especially smallholder farming in developing areas, however, operates largely outside this comprehensive structure of institutional support, with restricted access to support services and opportunities for African farmers to compete in agricultural markets. Access is further limited by legal restrictions along racial lines to entry into the wider South African land market which also does not exist in traditional agriculture (Fényes *et al* 1986).

On average, the financial position of commercial farmers would appear to be satisfactory. Averages, however, disguise the skewness of the distribution of income and welfare in this sector, Fényes *et al* (1988a) show that:

- 70 per cent (41 362) of the estimated 59 008 commercial farmers in 1985 contributed only 25 per cent of the gross farm income with a mean gross farm income of R58 000 per farm unit;
- 50 per cent (29 544) contributed only 10 per cent, with a mean contribution of R32 700 per farm unit; and
- 30 per cent (17 700) of the farmers contributed only 3,5 per cent of total gross farm income, an average contribution of less than R20 000 per farmer.

On the upper end in 1983 it was found that: (SALU 1983)

- 0,9 per cent of the farmers contributed 15,9 per cent of the total gross farm income;
- 5,8 per cent of the farmers contributed 38 per cent; and
- 27,5 per cent of the farmers were responsible for 73,8 per cent of gross farm income.

It was further found that the same skew distribution applies to assets and total farm debt.

The tendency towards growing concentration of wealth in the hands of a smaller number of farmers and a relatively skewed distribution of income is typical not only of this sector but is also evident in the subsistence sector (Vink, 1986; Van Zyl & Coetzee 1990). To correct these structural imbalances and to achieve efficiency and equity, resources in the agricultural economy should be allocated to their most productive uses and be in the hands of the most productive users.

The structural imbalances in South African agriculture are manifested in symptoms of inefficiency and inequality. This in turn reflects back to the cause of such symptoms, namely inequitable access to resources, inputs and product markets. A primary cause of inequitable access is the existing distribution of rights to land in accordance with the Black Land Act (Act no 27 of 1913) and the Development Trust and Land Act (Act no 18 of 1936). The most immediate effect of this legislation is unequal access to land as a factor of production as between farmers of different race groups and between sectors in agriculture. As a result, land is not allocated to its best uses and users. The repeal of current legislation and some form of affirmative action is thus necessary to maintain production levels and at the same time achieve a better distribution of opportunity.

Within this scenario the basic agricultural policy of the government will determine the tools of affirmative action which can be applied. The objectives of agricultural policy will depend on one of the following five approaches to problem solving in agriculture:

(i) The free market in agricultural production

In the free market approach the forces of demand and supply determine prices as well as allocating and rationing available supplies. This approach normally places a high value on the role of profits, private enterprise, initiative and hard work; little confidence is placed in the ability of government to solve or even ameliorate problems.

(ii) The production stimulator

The production stimulator believes the major agricultural problem is to feed adequately the ever-expanding population. Government's role in this context is to provide the basis for increased production through substantially expanded agricultural research and education, production incentives, etc.

(iii) The agricultural fundamentalists

The basic tenets of this approach are:

- agriculture is the basic occupation of humankind;
- rural life is morally superior to urban life;
- a nation of small independent farmers is the proper basis for a democratic society;
- farming is not only a business but a way of life;
- the land should be owned by the person who tills it;
- anyone who wants to farm should be able to do so.

The basic policy prescription of the fundamentalists is government establishment of price floors for agricultural commodities at parity levels.

(iv) The stabilizer

The stabilization approach holds that the major problem in agriculture is instability. Instability undermines the family farm structure, results in errors in production and marketing decisions and fosters inflation. Government policy on the stabilizer should ensure that farm prices move over a relatively narrow range and that supplies are always available.

(v) The planner

The planner believes that the market-place cannot alone be relied on to influence decisions on food consumption and production. The market is too unstable and its participants are too slow to adjust. The result is chronic problems ranging from consumers not eating a nutritious diet to producers not producing the right quantities. Policy prescriptions include government identification of the nutritional needs of consumers, educational programmes and the supplementing of income to influence what is consumed and production incentives consistent with the needs of consumers.

All these approaches to problem solving are interrelated and must always be kept in mind, especially when drastic changes in the agrarian structure, namely the creation of a multi-racial agricultural sector, are envisaged.

A scientific assessment of proposed land policies and practices is necessary regardless of the political philosophy of the government as reflected by these approaches. According to Southall (1990), for all that the approach to agrarian issues by political movements such as Inkatha, Azapo and the ANC can be variously described as conservative, socialist or state interventionist, there is virtually nothing in their ideas to suggest they have as yet paid any systematic attention to how their social and economic policies would be related to a transformation of rural political structures.

3. Framework of analysis

Man's use of land (and real estate) resources takes place within a threefold framework. This framework involves the impacts that physical and biological factors, economic considerations, and institutional arrangements have on private and public decisions relative to land use. Together, these three sets of factors set the limits that individuals, groups and governments can accomplish with any given level of technology in their development, utilization, and conservation of land resources.

Briefly stated, the physical and biological framework is concerned with the natural environment in which man finds himself and with the nature and characteristics of the various resources with which he must work. The physical and biological factors involved center on the need for maintaining sound ecological relationships over time.

To be successful, policies on the use of resources must be physically and biologically sound both in the short and in the long run. Tempting as the prospect of short-run benefits from some types of exploitation of resources may appear, society must oppose those actions that destroy fragile and nonreplacable resources or seriously disrupt normal ecological processes. (See, for example, Cowling, 1990.)

The economic framework is concerned with the operation of the price system as it affects each individual in his attempt to make profitable use of his land-resource base.

The institutional framework is concerned with the role man's cultural environment and the forces of social and collective action play in influencing his behaviour as an individual and as a member of his family, his various groups and his community. To be workable, programmes and policies of land use must pass the test of institutional acceptability.

The various elements of this three-fold framework within which land policies and practices could be evaluated are given below.

Physical and Biological Practicability

- suitable physical resources - geology, soils, water, air, climate;
- appropriate plant, animal and other biological resources;
- people and human communities;
- operations that accord with sound ecological principles.

Economic feasibility

- productive input-output relationships;
- effective marketing and transportation arrangements;
- acceptable distribution of income and benefits;
- budgetary implications.

Institutional acceptability

Policies and programmes must be:

- legal - comply with constitutions, laws, ordinances and public regulations;
- politically acceptable - not in conflict with cultural and social mores or widely-held attitudes or beliefs;
- administratively workable.

4. A search for equitable growth

4.1 Equity versus growth

A major theme in the discussion of the ethical aspects of economic systems is the conflict between equality or 'justice' in the distribution of income and the stimulation of economic growth. Two basic points should be made in this regard. *First*, there is no economic reason why growth should produce more equality of wealth and income distribution. *Second*, egalitarian measures may well produce an equality of misery.

To be consistent with the principles of individual freedom and personal responsibility as well as efficient economic organization (which includes both a bureaucratic centralized economic system as well as a competitive enterprise system) policy should concentrate on providing equality of *opportunity* rather than equality of measured *ex post* results.

In this regard, access to opportunity via resources implies more than the usually measured assets such as land and capital. It also includes the provision of goods by means of public capital in which citizens have property rights by virtue of common citizenship or residence. Both the provision of consumption goods by public production (e.g. extension, research, drought relief) and the provision of such goods by public capital investments (physical and institutional infrastructure) should be counted as an asset in an individual's net worth. Equitable access to resources should include access to these public goods. In this sense it is important to focus on the distributional impact of policy strategies and instruments rather than on the growth effects of exogenously imposed redistribution.

4.2 The Agricultural Environment

A number of examples of affirmative action for the South African situation include:

- (i) Equitable access to commercial, agri-support activities, i.e. those services for which the farmer pays directly. Examples include full membership of cooperatives; access to the controlled marketing system and specialized financing and credit institutions such as the Land Bank and the Agricultural Credit Board; equal treatment with regard to subsidies, drought relief schemes, etc.
- (ii) Equitable access to non-commercial agri-support activities, i.e. those services for which farmers do not pay directly. This includes access to research, extension, training, information and advisory services.
- (iii) An agri-milieu, consisting of political, social and economic institutions, which does not discriminate between participants. This is discussed in more detail below.

4.3 The external environment

In the South African context it would seem that the problems posed by the external environment are the most intractable as they imply the total integration of all aspects of the agri-milieu in order to ensure equitable access.

The present agricultural structure is supported by laws and institutions geared to serve relatively large scale capital intensive farming operations. It would be unrealistic to assume that new entrants to this farming system can be incorporated on an equal footing without excessive support measures. This argument is valid for all new entrants, without reference to race. The present financial situation and the evidence regarding the depopulation of the platteland prove that access is possible only by patrimony, matrimony or parsimony. Even these avenues are to a large degree closed to prospective black entrants.

There are, however, two important issues in this regard. *First*, not all farmers in the capitalist sector are served to the same degree by this support system. Three exceptions occur, namely market gardeners surrounding the metropolitan areas, part time farmers and the "failures" of the support system. These groups are not excluded from the support system in a formal or legal sense. Access to these functional areas is, however, relatively easier than to more settled farming areas.

The usual pattern of distribution of land size in a capitalist agriculture is for larger, extensive farming operations to be located on the periphery with small farms (market gardening)

surrounding the core urban areas. South African agriculture is an exception to the extent that a large proportion of small farmers are located in the outer periphery. There is a great disparity in the provision of support services between the two small farm sectors. Given the relative ease of entry to the market gardening sector, initially via leasing and labour intensive technology, integration of black farmers in this sector can be expected at an early stage. The same basic arguments apply in the case of the part time farming sector.

The third area of relatively easy access seems to be the depopulated farming areas of the Transvaal and Free State, mainly in border regions. Another opportunity lies in the present financial difficulties being experienced by the capitalist farming sector which points to an increasing number of insolvencies. This in turn creates new opportunities, given a willingness to pursue more equitable land distribution policies and to effect a redistribution of land. This will thereby reduce the anticipated future claims on radical land reform or nationalisation.

The terms of access to all these abovementioned areas cannot, however, be left to the market. The constraints posed by the present agri-milieu in particular, should receive systematic attention. To open access to agricultural support institutions as a policy measure on its own will not necessarily allow equitable access and improved welfare positions. In this regard certain positive measures can be taken. These should be instituted over the short and medium term with the purpose of facilitating the removal of initial barriers. These include:

- (i) Incentives and active support for farmer settlement programmes on unused and underutilized land;³
- (ii) Special credit arrangements;
- (iii) Subsidization of basic infrastructure, including irrigation development, roads, training programmes, etc.; and
- (iv) Specific operational, training and extension programmes.

These measures should adhere as closely as possible to the principles of private enterprise. In this regard farmers should still be able to make their own decision and to carry risk. This is important to ensure the establishment of a viable agricultural sector.

A basic requirement of any agricultural policy is to maintain sound ecological relationships over time. To be successful, land use policies must be physically and biologically viable. Tempting as the prospect of short term benefits from some types of land resource exploitation may appear, society must oppose those actions that can destroy fragile and non-replaceable resources or seriously disrupt normal ecological processes.

In this regard the concept of settling black farmers on marginal and submarginal abandoned or underutilized land in view of assumedly lower acceptable income targets must be seriously questioned. Land use should under all circumstances be directed according to comparative advantage and sound ecological principles. Land subdivision based on capital intensive farming principles is not necessarily optimal in this regard.

4.4 The legal environment

For the successful implementation of the positive action mentioned and above the laws which structure the legal environment of farming in South Africa will have to be changed.

Besides the most obvious Acts, such as the Black Land Act of 1913, the Development Trust and the Land Act of 1936, the Separate Amenities Act and the Group Areas Act, a number of other laws will have to be investigated. These include those

legal provisions geared to support capitalist agriculture that will not necessarily be suitable for the envisaged new dispensation. They include inter alia:

- The Cooperative Societies Act of 1939
- The Land and Agricultural Bank of South Africa Act of 1944
- Agricultural Research Account Act of 1964
- Agricultural Credit Act of 1966
- Marketing Act of 1968
- Soil Conservation Act of 1969
- Common Pasture Management Act of 1977
- Designated Areas Development Act of 1979
- Conservation of Agricultural Resources Act of 1983
- Proclamations and Government Notices promulgated in term of these Acts
- Various Provincial Ordinances.

It must be emphasized that even if some of these legal provisions are non-racial they need to be investigated and possibly amended with the view to facilitating the envisaged new structure. This new structure may also include different systems of land tenure, small-scale labour intensive production units and features such as the breeding of indigenous stock, intercropping practices, etc.

Another aspect which should be addressed is the nature of the existing system of land tenure in the homelands. If the Land Act as well as the relevant sections of the Black Administration Act of 1927 are scrapped the legal basis of this system of tenure will fall away. Two issues are important in this regard. *First*, the security value of land as a subsistence retreat could lead to pressure for the maintenance of tribal tenure. *Second*, the present homelands occupy a relatively large proportion of arable land in South Africa. This land is at present not utilized to its full potential for a number of reasons. This could in turn lead to pressure to change the current system. These conflicting forces need to be taken into account in deciding on the matter.

Many features that affect distributional patterns are, however, omitted from conventional planning models. Principal amongst these are the following:

- (1) the dualistic nature of the agricultural sector;
- (2) concentration of the ownership of capital, which is generally more extreme than the concentration of incomes;
- (3) differential access of socio-economic groups to employment opportunities and therefore to wage incomes generated in the capitalist sector. These differences may reflect geographical and social barriers to mobility or variations in education and skills.

It must be noted that the implementation of the redistributional policies is made more difficult as a result of these patterns even in the absence of legislative barriers. There is, however, considerable potential for creating equity through a policy of investment transfers. Such a strategy, although operating at the margin, can achieve substantial improvements in patterns of asset concentration over time. As income in the poorer groups is constrained by lack of access to physical and human capital as well as infrastructure, the reallocation of public resources can provide a powerful mechanism for overcoming these constraints.

5. Strategies for growth with equity

An important conclusion which can be drawn from the above is that an increase in participation is by no means an automatic consequence of economic progress. Mechanisms must be developed that enable these new entrants to enjoy an equitable share in the new dispensation. These mechanisms must be fair enough to be generally acceptable.

The reason why the agri-milieu is important is that the redistribution of assets, if accomplished, is not a sufficient condition for equitable growth. Factors such as poor economic management or excessively slow growth rates in the post-redistribution period can cause a drastic fall in the value of the redistributed assets. Examples include abortive land reforms and enterprise nationalization, such as the collectivization of agriculture in Mozambique and the nationalization of the cocoa industry in Ghana. In the South African situation, given the willingness to exploit available opportunities for the incorporation of black farmers into the new agricultural economy, historical evidence from elsewhere points to two possible extreme strategies:

- (1) grow now, redistribute and educate later;
- (2) redistribute and educate now, grow later.

It can be argued that South African agriculture has followed the first strategy. Given the current reform initiatives, the second alternative seems more appropriate. We argue, however, that the restructuring of the agricultural economy need not be at the expense of current growth. The realities of the South African situation are such that new entrants can be incorporated in a way that facilitates the restructuring of agriculture without sacrificing growth.

A note of caution is necessary when designing strategies for redistribution and growth. It has been proposed that a new economic theory is needed for studying the economics of getting poorer while redistributing.

In the South African context the envisaged changes may sound drastic. However, in 1926 Lord Keynes identified the political problem of mankind as the combination of three things: economic efficiency, social justice and individual liberty. Any dispassionate view of South Africa must lead to the conclusion that this problem has yet to be solved.

6. Land reform or nationalisation

If and when the government decides that opening up of opportunities and affirmative action should rest on some form of land reform or nationalisation of land the following criteria should be observed:

Land records

The land to be affected by nationalisation must be clearly identifiable. Records on sizes of ownership units in various regions as well as clear demarcations of public lands are useful.

Criteria for acquiring land. Clear and simple criteria are needed to determine exactly what land is subject to acquisition. It is often presumed that size of ownership units is a clear and objective criterion; this usually is not correct for at least two reasons.

First, mere farm size is not the only pertinent factor. Farm size per se has little meaning. It acquires significance when viewed within the context of the community, the productivity of land, infrastructure and services available, the intensity of land use, population pressure, the system of tenure and the social and economic value attached to the ownership of land. Second, there are farm sizes below which a family cannot support itself from the output of the land alone.⁴

Compensation

Ideally, owners of large tracts of land should be encouraged to sell parcels to would-be owner-operators. If land is expropriated a compensation scheme must be established. This may involve a partial cash payment, with the bulk of the compensation in government bonds to be redeemed in future years. Various combinations of bonds and cash (and bonds adjusted for inflation and varying maturities) provide flexibility and can be used to counter some of the opposition to the reform.

Distribution to new owners

When large farms are divided into small family farms, resident labourers are usually given first claim. Previous wage workers who receive small private plots often lack managerial skills and may create production problems for which there is no easy answer. The previous owner or good extension officers can be helpful, but rapid expansion or high-quality extension service in a reform situation is usually difficult.

Hence, in these situations especially, some cooperative arrangement among farmers (whether group farming or some less collective format) should be considered in order to disseminate new skills, ideas and techniques.

Payment by new owners

Payment by new owners should be spread out and sufficient safeguards against crop failure enacted so that the land payments plus taxes and other charges do not exceed the previous levels of rent and so that the payment schedule can be met easily at existing levels of production.

Services

Land redistribution may disrupt a system that already provides credit, fertilizer, technical information and marketing. Both to avoid disruption of services and to ensure that the benefits of reform remain equitably distributed, a new system must be planned as part of the entire reform programme.

7. Strategy choices

No magic formula for implementing land redistribution exists. Production losses occur primarily because of disruption, lack of services, or uncertainty about how the reform will influence future standards of living. A path must be found between the danger of immobility and the danger of social conflict.

The sequence in implementing land redistribution is one strategic decision. The options usually are:

- (a) largest, foreign or absentee owners first;
- (b) regions of most severe inequality first;
- (c) regions of most likely success first;
- (d) regions where major crops are least productive.⁵

The advantage of the big-holding-first-strategy is its political impact and its immediate disarming of the most powerful opponents of land reform. The disadvantages include incentives for the large farmers to divide their properties, the complications of politics, and the administrative clumsiness of returning repeatedly to the same region for successive levels of reform.

The advantages of giving initial attention to areas of the most severe inequality include neutralizing potential dissidents and emphasizing the value of social equity. The principal disadvantage is that the areas of great inequality are frequently regions where success is most difficult to achieve. The strategy of pursuing the easiest successes and building administrative knowledge and experience demonstrates what might be done and stimulates peasant enthusiasm for the effects. The principal disadvantage is that some of the most visible excesses will be saved for last and opposition can build in those areas that come last.

Proceeding through reform according to crop and the degree of modernization allows productivity considerations to be balanced against equity: modernized sectors can be protected and political opposition can be minimized. The disadvantages include incentive to change crops, a series of administrative ambiguities whenever multiple cropping occurs and the prospect of lack of government concern for equity.

According to Wortman and Cummings, (1978) the final and most amorphous of the strategic political questions concerns the moral and cultural aspects of enthusiasm for land reform and resistance to it: i.e. whether it is possible without radical changes of philosophical perspective, and whether the detailed administrative calculations are relevant when the basic psychology of the country is that of dominator and dominated. But away from moral issues, the cost of nationalisation of agricultural land – the easiest part of the business – certainly will be huge. Yet, as *The Economist* (1990) reports, the ANC

is led from cities, and Marxism's emphasis on the proletariat has reinforced its urban bias. It will be hard to escape from this. If the new President has to face disorder among his own people, he will find, like his white predecessors, that it comes from the people in the urban slums. So he will be tempted to try to please articulate town-dwellers first and let the investment needed to make a success of rural reform take second place. The dilemma again is that if one neglects the country people, they will flock in desperation to town and thereby worsen the situation.

Notes

1. In 1981 the relative contribution of various forms of ownership in the commercial sector was as follows: individuals, 67,6%, partnerships, 9,3%, public companies, 1,9%, private companies, 20,1%, co-operatives, 0,3%, municipalities, 0,2%, government, 0,4% and other 0,3%.
2. Within the homelands there are at least four recognised legal forms of land tenure, viz., freehold, quitrent, communal/customary and "trust tenure". For a discussion of these tenurial forms see for example Davis and Corder, 1990.
3. In this respect, Tessa Marcus (ANC) says that "it is highly contentious to suggest that . . . land is abandoned or unused because whites have ceased to live on or work it . . . this land is often quite heavily populated and worked by black people . . . and even if this land is underutilized, what purpose would it serve to extend African access only to land with the lowest yield" (Marcus, 1989).
4. The target income of the land settlement programme in Zimbabwe is a net farm income of Zim \$2 000,00 per annum per farming family. This is clearly below the expectations of our prospective farmers.
5. Another option discussed by Marcus (1990) is the wholesale nationalisation of land. She states that the land may be nationalised, while the ownership of commercial farms remains in the hands of private individuals or companies. The State, as landholders, transforms all landed relations into tenancy relations. It is thereby able, at one and the same time, to gain revenue from rent which can be rechannelled into the social wage for the benefit of all. According to her, even for capitalist producers in agriculture it may well be in their interest at a certain juncture not own the land as land ownership unnecessarily ties up capital which could be more profitably and effectively employed elsewhere.

In similar vein, De Klerk (1990) discusses nationalisation by means of a land tax. Depending on the rate of taxation this method may result in socialization because by taxing away the entire income from a productive resource by taxation means expropriation without compensation, even though ownership resides with the individual.

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