

**The 'Land Debate': Is Land Reform the Solution?
An Analysis of Brazil and South Africa**

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This dissertation is submitted in partial fulfilment of the requirements for the Master of Commerce degree in Economics.

Declaration:

Declaration

I, **Prinola Moodley**, declare that:

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- (ii) This dissertation has not been submitted for any degree or examination at any other university.
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Abstract

This dissertation serves to assess the economic and social effects of land reform policies in Brazil and South Africa. The paper presents a brief historical review of land issues, related land laws and regulations within each country. The study pays special attention to the 'market-assisted' approach to agrarian reform which has been promoted by the World Bank. It was found that this particular form of land reform has been achieving sub-optimal results in the countries in question. Rural poverty and inequality remain major issues in both countries, while the effects on the agricultural sector vary. South Africa's agribusiness sector suffers whereas Brazil's agribusiness industry thrives; the reasons behind these different outcomes are also discussed. Various alternate policy instruments from heterodox schools of economics are proposed as possible solutions to improve the results of land reform.

The author would like to share with the reader a quote which holds great significance in inspiring the topic for this dissertation...

“There is sufficiency in the world for man’s need but not for man’s greed”.

- Mahatma Gandhi

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List of Acronyms

ANC: African National Congress

BRICS: Association of emerging economies - Brazil, Russia, India, China, South Africa

FAO: Food and Agriculture Organisation

GDP: Gross Domestic Product

IBGE: Brazil's Institute of Geography and Statistics

IBRA: Brazilian Institute for Agrarian Reform

ILO: International Labour Office

INCRA: National Institute for Colonization and Agrarian Reform

INDA: National Institute for Agricultural Development

LPM: Landless Peoples' Movement

LRAD: Land Redistribution for Agricultural Development

MST: Landless Workers' Movement

OECD: Organisation for Economic Co-operation and Development

PCT: Cédula da Terra (Brazilian land reform programme)

SLAG: Settlement/Land Acquisition Grant

UN: United Nations

WWF-SA: World Wildlife Federation South Africa

Preface: Heterodox Economics and the Distribution Issue

Mainstream economics, with its neoclassical framework, is globally considered to be the orthodox way to study economic phenomena. It has been applied to economic analyses and policy-making since the latter 19th century, with it emerging as the dominant framework since World War II. There is wide agreement among practitioners that its framework provides an adequate benchmark with which to analyse 'real-world' scenarios. However, for decades, various groups have diverged from its conventions, and indeed its basic framework, to formulate their own economic principles and instruments of analysis, in an attempt to address its perceived shortcomings. This is especially evident in studies around market failure. There are, according to economists operating outside the orthodox framework, - referred to as heterodox economists - aspects of neoclassical economics which do not address important social issues.

Lee (2012:339) explains that heterodox economics "refers to a particular group of contemporary theories aimed at explaining the social provisioning process, to economic policies recommendations predicated on the theories, and to a community of economists engaged in this theoretical and applied scientific activity." It appears that mainstream economics offers inadequate explanatory power with regard to the process of social provisioning. Common themes among heterodox schools of thought are justice; wealth of nations; social relationships; accumulation; and economic issues pertaining to race, class and gender. The main concern for heterodox economists is usually to attain some acceptable level of social-wellbeing - which neoclassical economics pays little attention to - through the use of economic principles, tools and policies. Lee (2012: 340) captures the essence of heterodox economics in this excerpt:

"Because heterodox economics involves issues of ethical values and social philosophy and the historical aspects of human existence, heterodox economists feel that it is also their duty to make heterodox economic policy recommendations to improve human dignity, that is, recommending ameliorative and/or radical social and

economic policies to improve the social provisioning for all members of society and especially the disadvantaged.”

Heterodox economists are of the view that their recommendations toward economic policy should stem from both the historical and theoretical portrayal of the actual workings of the economy, which pay special attention to “class and hierarchical domination, inequalities, social-economic discontent, and conflict” (Lee 2012:340). Therefore, it would seem more suitable to administer solutions from heterodox economics to help solve problems facing groups who are discriminated against, poorly employed, disadvantaged and highly dependent classes.

Some economists, such as Dow (2013), go as far as to assert that economists should be obligated to adhere to an ethical code of conduct. This would ensure that policy-making would be governed by ethics, and thus the factor of ‘social duty’ would always be accounted for. This could possibly help to reduce the effects of market failure with its detrimental impact on the poorest classes within society.

A school that has been dealing with these issues is the Institutionalist School, which was founded by the American economist Thorstein Veblen, towards the latter part of the 19th century (Brue & Grant 2007). The unique American economic environment of the late 19th and early 20th centuries created an atmosphere for intense discussion and debate that often questioned the status quo. It was from this intellectual environment that Institutional economics emerged with it questioning the assumptions and conclusions of neoclassical economics. The school developed over time to take a reformist approach to tackling the issue of social change, which is a far cry from the pragmatic reforms supported by the Neoclassical School. Pragmatic reforms would aid in preserving existing capitalist structures while reformism aims to change the fundamental structure of the socioeconomic system within a society, hence diverging from mainstream thought (Brue & Grant 2007).

However, Institutional Economics is not alone in diverging from orthodox economics. There are several heterodox schools that deviate from neoclassical economics in an attempt to address social issues: ecological economics, feminist economics, participatory economics and Georgism to name a few.

Important themes that have often provoked divergence from the mainstream have been land ownership and property rights. Many heterodox schools have criticised the neoclassical stance around these topics. While neoclassical theory refers to and values land simply as an input in production, various heterodox schools have refuted this view insisting that land has an intrinsic value that cannot be ignored. The issue of the value of land have, throughout centuries, sparked interest from several philosophers, economists and politicians such as John Locke, Henry George, Pierre-Joseph Proudhon, and Ronald Coase.

Chapter 1 Introduction

1.1 Introduction to the Topic

The topic chosen for this dissertation is 'the effects of land reform on developing nations'. Since the topic of land reform can be a rather extensive one, the topic presented here is an analysis of the land reform programmes implemented in two developing economies forming part of the BRICS countries: Brazil and South Africa. Brazil and South Africa have been chosen for this study as these would be the most appropriate of the BRICS economies that can be comparable in terms of economic structure, levels of inequality, agrarian culture and dependencies, and a common history of colonization. Both countries have also, in more recent times, been brought to the forefront of land reform talks on global forums. Although Russia, India, and China have too implemented some land reform programmes, these have not been a major focus for the governments concerned. Additionally, the economic and political structures as well as sizes of these economies are vastly more different to those of South Africa and Brazil.

The themes within the dissertation are income inequality, distribution, poverty, property/land rights and agricultural productivity. This study focuses on land reform within the realm of private property ownership involving the influence of the community and intervention from the state through some political process. There are several proposed solutions which act as alternates to land reform programmes.

1.2 What does this dissertation aim to achieve?

This dissertation is titled *The 'Land Debate': Is Land Reform the Solution? An Analysis of Brazil and South Africa*, implying that the study involves assessing the economic and social impact that land reform programmes have had on the respective countries. To state the purpose of this assessment would be: to argue that the existing programmes of land reform being implemented in Brazil and South Africa are inefficient and ineffective. The objective of this study is to attempt to provide evidence to prove that these land reform programmes have been mostly unsuccessful, while providing reasoning for why this is the case by identifying shortfalls. This dissertation

also aims to propose various alternate solutions. The alternate solutions are expected to better address poverty, inequity, and unequal distribution; while also maintaining agricultural productivity.

1.3 Method used to achieve aims

A qualitative approach is adopted for this research topic. The topic is largely based on theories, policies, existing economic reports, and is also closely linked to political issues. Therefore, it is appropriate to analyse the existing theories and research to identify areas with gaps or failure to adequately solve problems. A qualitative analysis allows for a more in-depth study of the impact that policy has on human beings within the respective societies in relation to the economy as a whole. A descriptive analysis of existing data is undertaken. In doing so, an analysis of the performance reported from the initiation of the land reform programmes up until recent years is conducted. Sources of information and data which have been used include, but are not limited to journal articles, government websites, statistical and research organisation websites.

1.4 Significance of the topic

The redistribution of wealth and the alleviation of poverty are major areas of concern in developing economies. The chosen countries for the study are: 1) Brazil, 2) South Africa. Considering the BRICS economies, Brazil has the most easily comparable economic environment and structure to South Africa. In the case of Brazil, land reform policy requires much attention as there exist major land monopolies that dominate the agricultural and industrial sectors. Land reform policy in South Africa is taken seriously as a means to reduce the negative effects of colonialism and Apartheid in order to create a more equal distribution of wealth and eradicate the remnants of racist laws; to impact income inequality to reach a more even distribution of wealth; to create more equal opportunities; and to promote agricultural entrepreneurship within smaller farming communities. Land reform policy is proving to be helpful (although minimally) in achieving goals of poverty alleviation and wealth equality. However, the extent to which it is positively impacting the agricultural sector and society is questionable.

1.5 Brief Overview

Chapter 1 introduces the topic, and describes the aims and significance of the topic.

Chapter 2 explains the Neoclassical and heterodox approaches to the use of land as a resource.

Chapter 3 sets the foundation for analysis by outlining any theoretical components and describing the background and history of the topic. The related property theories are discussed and relevant literature is reviewed. A brief overview of examples of land reform on a global scale are discussed.

Chapter 4 and Chapter 5

The historical importance of the topic is discussed to show how past events have shaped present-day policy. These chapters put forward the ultimate reasons for the conception of land reform policies in each country and thereafter presents the analysis. This involves the isolation of studies and reports pertaining to each country that contain information and data related to the effects of modern-day land reform policy. The methods of policy implementation within each country are discussed in order to ascertain the objectives and changes being made on a societal level. An assessment of the effects on the agricultural sector of the economy; the growth of the economy; and the alleviation of rural poverty is presented.

Chapter 6 offers a comparative analysis of the results in Brazil and South Africa. Results are also contrasted with positive outcomes in the Philippines.

Chapter 7 proposes alternate solutions to achieving equity and poverty alleviation.

Chapter 8 concludes the dissertation by summarising the findings and stating the outcome.

Chapter 2 The Economics of Land

Before delving into the topic itself it may be helpful to understand the economics behind natural resources, and thus the way in which land is treated and measured by the neoclassical school. It is through this understanding that more light is shed upon why various heterodox schools have criticised the neoclassical method of land valuation. Additionally, it is important to gain a more holistic view of the state of affairs with regard to land through understanding the types of economic systems that have had a hand in shaping the market structures that exist in Brazil and South Africa today. This chapter provides a brief explanation.

2.1 Neoclassical Economics

The neoclassical treatment of land is best understood by considering the production function. The production function measures output (Y) as a function of labour (L) and capital (K) while the quantity and quality of output also depends on the state of technology applied (Hussen 2004:8). Land or natural resources are within this conceptual framework not accounted for as a separate input.

Neoclassical economists thus classify land as a natural resource along with all other naturally occurring inputs such as air and water. This classification of land is supported by the definition of land outlined by the OECD: “natural assets (raw materials) occurring in nature that can be used for economic production or consumption” (OECD 2001). This contrasts with several heterodox schools who argue that natural resources cannot simply be categorised as capital as these are not man-made, but should rather be valued according to the intrinsic value that is held.

However, going a step further to unravel the neoclassical approach to land brings to light a part of neoclassical theory that does not regard naturally occurring commodities as ‘land’ once it has been extracted from the earth and or transformed into tradable condition, in this state it is called capital (Batt 2003:4). An example of this is a fish; when still at sea it is land/natural resources but once caught for consumption or sale is regarded as capital. It is this method of valuation that is often criticised by deviant groups as wrong and unethical.

The workings of any economy are strongly influenced by the physical environment in which it operates. While neoclassical theory acknowledges the problem of scarcity prevalent in these physical environments and that the issue of limited resources requires attention, many of the underlying assumptions used in providing solutions are in themselves problematic. Hussen (2004:4) lists the key neoclassical assumptions related to natural resources (land):

1. Natural resources are a necessary (even if minimal) input for production
2. Scarcity of natural resources is the only major concern
3. Natural capital and man-made capital have characteristics that will allow for perfect substitutability
4. Technology enhancements will allow for greater levels of production from a fixed amount of natural resources
5. The economy is independent of the natural ecosystem of the environment.

These assumptions are flawed for a few reasons. Hussen (2004) argues that firstly, the scarcity issue is made far less significant if it is believed that natural and man-made capital are perfect substitutes. This would mean that should technological advancement allow for it, the issue of limited natural resources will be non-existent due to the infinite possibility for man-made resources to be substituted for natural resources in the production process. Second, the assumption that the economy develops independently of the ecosystem of its environment is risky. The economy is inherently impacted by the environment in which it operates, which includes the ecosystem of that environment. Where human beings are a pivotal part of a process, the ecosystem which supports them naturally must play a role in that process too. Thirdly, due to the unique value added from the natural environment, it cannot simply be a matter of price signals from market demand and supply interactions assigning a value to these natural resources. In doing this, the intrinsic value is lost. This means that any value that is not measured by some economic indicator is not accounted for. The more accurate way to consider natural resources such as land is to account for the transfer of energy and thus the value added from the natural environment into the production process which creates some form of utility (Hussen 2004:15). This is not to say that neoclassical theory has 'gotten it all wrong', these are just a few assumptions that are refuted by several heterodox schools such as ecological economics and Georgism.

2.2 Structure of the Economy

The different economic systems/structures that exist will also vary in their methods of the treatment of land, hence the approach to how land is valued within an economy is not just confined to the school of economic thought applied, but also includes the economic structure that has been adopted by the society involved. Economic structure can be traditional, feudal, command, or liberal market. Each of these will be discussed in turn.

The traditional economic system is one where the culture, traditions and beliefs of a society greatly impact the way in which the economy operates. In such an economy the activities involved in producing goods and services will be closely linked to the livelihood of the people in that community. According to Alexander (1976:57), the traditional economy values land and natural resources as the most integral factors of production while capital and technology play a very small role. Communities within a traditional economy will usually rely directly on the land for survival through activities such as hunting, gathering and farming. The method of trade is often bartering or basic forms of hand-to-hand exchanges. Due to the heavy weighting placed on land in this type of economy, the neoclassical production function would be inappropriate. Both Brazil and South Africa were originally traditional economies prior to colonization.

Feudal economy refers to a system in which there exists a hierarchical ordering of different classes of society, often the best example is that of Medieval Europe. The importance placed upon agriculture was high as those who worked the land paid rents in the form of produce to the Lords who owned the land, this was also referred to as the Manorial System. It was only when the barter system died out and the monetary exchange system began to grow that the feudal economy too began to wane (Rosenberg and Birdzell 1986). During the colonization period of Brazil, the feudal system was imposed on Brazilians by the Portuguese (more details in chapter 4).

The command economy is one in which economic power is concentrated as it is under a communist or dictatorship ruling (Painter 2008). The theory states that all natural resources including land are claimed and owned by the state. The

government controls the economy by holding the power to make all distribution and production decisions within the economy (Lazarev 2001). Some examples of this type of economy are the old Soviet Union, China before it started to liberalise its economy after 1979 and North Korea.

The liberal market economy (also called the free-market) where all the factors of production as well as distribution are controlled by the market is rare, as it is not usual to find a country where all economic activity is left completely ungoverned by the state. The more common structure is the mixed economy where market players are allowed to interact freely, with some limited degree of intervention or guidance from the state (Ikeda 2002). The current economic structure of both Brazil and South Africa would fall into this category. However, this has not always been the case. The mixed economy that exists today is the outcome of westernization of the once traditional economies that existed before the west 'discovered' and conquered these lands. Although both Brazil and South Africa initially operated within traditional economies, colonization introduced new influences which in both countries had lasting impacts. Brazil was forced into a feudal system, while the South African economy was heavily influenced by customs and developments from Western Europe, particularly the Netherlands and Britain.

Considering the once traditional economies that existed in Brazil and South Africa, it is easy to see why the introduction of western forces and the neoclassical model was not embraced by the indigenous people of these countries. For a people who value land and natural resources above all other factors of production and to whom the value of the earth and all that it offers is held in the greatest esteem, to diminish that value and force them to make a living within an economy with monetary exchanges and market forces from private and public sectors can only result in conflict. Hence, this is where we are, asking questions such as: *Why are people struggling in poverty, when land is abundant? And what has become of the once rich agricultural sectors of these nations?*

Chapter 3 Painting the Landscape

“And the great owners, who must lose their land in an upheaval, the great owners with access to history, with eyes to read history and to know the great fact: when property accumulates in too few hands it is taken away. And that companion fact: when a majority of the people are hungry and cold they will take by force what they need. And the little screaming fact that sounds through all history: repression works only to strengthen and knit the repressed.”

- John Steinbeck, The Grapes of Wrath.

The purpose of land reform policy is to redistribute the land (and thus land rights) in an attempt to reach a more equitable distribution of land so as to help alleviate poverty and improve well-being; a summation of the aims of the *White Paper on Land Policy of 1997* in South Africa. James (2001:93) reinforces this notion of land reform policy by explaining that “Reforming its ownership, and redistributing it to the poorer sectors of society is thought to provide the key to solving poverty and inequality, and is seen as the starting point in any real debate in redistributing wealth”. Land reform policies are developed as a mechanism through which to provide property rights to disadvantaged groups who are often displaced, dispossessed and do not hold a title for the land upon which they live.

The need for the reform of land stems from social inequalities, specifically the inequalities of wealth and income. Thus the primary reason for the development of land reform policies is to address this issue of inequality. Land reform as an area of research seems to lack a mechanism with which to measure the efficiency of policy. Possible reasons are that most cases of land reform, resulting in significant changes, tend to be accompanied by social upheaval, while the problems of data limitations make the analysis of effects difficult (Lambais et al. 2013:7). This has resulted in the heated debate, on whether or not land reform is the answer to alleviating rural poverty and creating a more equitable distribution of wealth, remaining unfinished. This land question is under investigation on a global scale and is not only relevant to Brazil and South Africa. The question to be asked is how does a country maintain production and growth in agriculture but also alleviate the poverty under which the majority of its people are living? Is the implementation of ‘market-assisted’ agrarian

reform the most efficient solution with adequate consideration for achieving the social good?

The economic perspective of property rights can be traced back many years to the likes of John Locke, Adam Smith, David Ricardo, Karl Marx, Henry George, Ronald Coase, and Garret Hardin. A major contribution made to the 'Theory of Property Rights' within the field of economics was by Harold Demsetz (1967); with other more recent contributions from Yoram Barzel (1989), Gary Libecap (1989), Douglass North (1990) and Oliver Hart (1995); works which have been discussed and compared by Mahoney (2005).

Gary Libecap (1989) points out that often the laws created to regulate property rights inefficiencies are closely related to political interests and serve only as a temporary relief from inefficiency (Mahoney 2005). According to Mahoney (2005:110) politicians have incentives not to interfere with status quo rankings in society. Thus, inefficient systems of property rights prevail. Yoram Barzel is of the opinion that property rights are never fully delineated due to the high costs involved with accurately measuring the value of any asset; leading to the high risk that assets may then be wrongfully appropriated by others (Mahoney 2005:110). Hence, the system of property rights is once more inefficient. Understanding the basic economic principles behind the concept of property rights and the related inefficiencies sets the theoretical foundation for this study.

3.1 The Theory of Property Rights

Property rights within a community can be delineated as "the set of economic and social relations defining the position of each individual with respect to the utilization of scarce resources" (Furubotn and Pejovich 1972:1139). Recent studies indicate that weak property rights are widely prevalent throughout the world, which leaves millions of residents without land titles for the land upon which they live (Galiani and Schargrotsky 2010:700). The primary result of this is that when weak property rights exist in unequal societies, such as those found in developing nations, wealthier individuals have no incentive to encourage the state to develop a stronger system of

property rights distribution in order to increase land security among the poor; and so the gap between the rich and poor grows (Macours et al. 2010:881).

Furubotn and Pejovich (1972:1139) describe 'property rights' as "the sanctioned behavioral relations among men that arise from the existence of things and pertain to their use". Thus, property rights do not refer to the direct relationship between human beings and things; but is influenced by behaviour and incentives associated with the right to use these things. Taking a more labour related view was John Locke (1690) who theorised the possession of property through labour by arguing "that an original owner is one who mixes his or her labor with a thing and, by commingling that labor with the thing, establishes ownership of it" (Rose 1985:73). Locke (1690) also asserted that humanity should collectively decide who the original owner of property should be, however there lies some fault in this assertion in that it would be difficult - to say the least- to actually gather a consensus from all of humanity. Nevertheless there still exists the notion of property, or natural resources, having some level of community involvement in its ownership. Locke (1690) goes on to add that one would have to hold a natural right to a resource as it is an essential condition in order for production to occur.

Müller and Sikor (2009:1311) explain that the economic interpretation of property rights to land change in response to shifts in the productive values of land, thus accounting for changes in technological conditions and economic environment. Property rights within a community are responsible for setting the economic and social environment which defines the position held by every individual in terms of their access and ability to use a scarce resource/asset. Furubotn and Pejovich (1972:1139) further illustrate this concept using a quote by Alchian (1967):

"In essence, economics is the study of property rights over scarce resources. . . . The allocation of scarce resources in a society is the assignment of rights to uses of resources . . . the question of economics, or of how prices should be determined, is the question of how property rights should be defined and exchanged, and on what terms [3, Alchian, 1967, pp. 2-31]."

This implies that holding the right of ownership in a scarce resource/asset entitles the owner to participate in a number of optional activities. These activities include; using the resource, changing its form, or transferring the rights to another party through sale or rental. According to Demsetz (1967), the owner of a property right expects that the community will act to deter any parties from interfering with the chosen activities of the owner, insofar as these activities are in compliance with the terms attached to the rights.

Demsetz (1967:352) delineates three forms of property rights ownership: 1) communal ownership; 2) private ownership; 3) state ownership. These are explained in turn:

- 1) Communal ownership refers to a right belonging to every member of a community. The right is communal if all members are able to exercise that right. An example of this is the right to walk on a street sidewalk.
- 2) Private ownership allows the holder of the right to exclude others from benefiting from the owner's private right to a particular resource. An example is the right one has to the use of their own motor vehicle, which excludes others from using it.
- 3) State ownership gives the state the authority to decide who to exclude from the use of a right, with the condition that the state adheres to any political procedures that are associated with such exclusion.

Land reform pertains primarily to concerns arising from private property ownership where there is a disproportionate pattern of private property rights which leads to wealth and inequalities. Gary Libecap (1989) points out that, integral to property rights determination is some political process, often involving negotiations and lobbying; ensuring that property rights are created and regulated by political entities (Mahoney 2005:112). In addition, property rights are reflective of the conflict of economic interests and differences in the bargaining power of the parties being affected (Mahoney 2005:111). According to Yoram Barzel, it is the high cost involved in measuring an asset that deters the complete delineation of rights, and so there is always the risk of appropriation by others through free-riding and adverse selection (Mahoney 2005:110); this in turn results in weak property rights within a society.

Taking a different approach to the weakness of property rights is Douglass North, who goes a step further by asserting that one of the primary reasons for insufficient economic development present throughout the world is that there exists inefficient property rights systems that continue to persist over time (Mahoney 2005:118). According to Douglass North, societies have - throughout history - failed to enforce contracts, which has led to the stagnation of economic development in third world countries (Mahoney 2000:122). The issue of wealth inequality as a product of weak property rights regimes is highly prevalent in developing nations with the additional problem of historical injustice. Hence, this dissertation serves to explore this issue further.

3.2 Land Reform and the World

State-led land reform has become enormously popular within third world nations; specifically in countries such as Brazil, Colombia, Peru, China, India, Philippines, Namibia, South Africa and Zimbabwe. Governments have begun to recognize the need to issue formal land titles to indigenous groups as a way to preserve and respect tradition, culture and history. It has become increasingly recognized that historically marginalized societies receive what is rightfully theirs, as a way to reach a more equitable distribution of assets.

However, the area of growing concern is the issue of 'redistribution' of land. The *International Land Coalition* is a global organization, concerned with the accessibility of land for the rural poor, that was established to form a network for effective communication between governments and societies. Programs have been implemented in a number of African and Latin American regions, which redistributes land belonging to wealthy landowners to poor landless people in an attempt to alleviate poverty and reduce the glaring gap between the rich and poor. The aim is always to improve the land rights of disadvantaged groups and raise living standards. This has caught the attention of both the European Union and the World Bank, who have issued a number of new policies and guidelines pertaining to land reform. Some of the main guidelines outlined by the World Bank in the '*Land Reform Policy Paper*' are: the maintenance and promotion of owner-operated family farms; "the need for

markets to permit land to be transferred to more productive users; and the importance of an egalitarian asset distribution” (Deininger and Binswanger 1999).

According to Müller and Sikor (2009), land reform is thought of as a key element to any effective process that aims to bring about social transformation. For those nations who have undergone revolutions, such as the Russian Revolution, land reform has played a major role in the transformation process as it has aided in breaking the societal ‘class’ divisions. These land reforms have involved state-led redistributions of land from large and wealthy landowners to the poor landless or to smallholders (Müller and Sikor 2009). In such cases, the government expects the land reforms to help in meeting the demands of the poor through reducing the power held by the large landowners. Müller and Sikor (2009) explain that this is also a way for the state to boost their political support among the poor masses. “Implemented properly by a national government and administration with international assistance, land reform was expected to alleviate rural poverty, increase agricultural productivity, and strengthen the new nation state” (Müller and Sikor 2009:1308). Land reform had reached Africa by the 1970s/1980s as a result of an issuance by the World Bank of a key land policy statement during 1975 (Müller and Sikor 2009:1308). The redistribution of land has since become an important policy tool in the developing world.

Examples of land reform policy implementations are found across the globe, from China to Europe. Earlier programmes of land reform from France and Russia are also worth noting. Prerevolutionary France saw that the Church dominated politics and the ownership of land, especially the agricultural economy through the rural aristocrats. The Church would charge an annual land tax by collecting a portion of the harvest which were called tithes (The Saylor Foundation 2012). The private aristocrats would also charge rents and taxes to the peasants who worked the land under a feudal system. The French Revolution overturned both the Church’s and aristocrats’ power by abolishing feudalism along with the rents and taxes charged, as well as confiscating the land owned by the Church. In the case of Russia, in the years prior to the revolution and throughout all of history, it has always been the peasants who have depended on the land for their livelihoods. The peasants were of the belief that those who worked the land should own the land. Hence, the ‘Stolypin

Land Reforms' were passed between 1905 and 1917 in an attempt to avoid a peasant revolt (Yaney 1964). The 'obshchina', which were communal lands that were run by village governments, were done away with as the 'Stolypin Land Reforms' introduced private individual land ownership to the peasants in the hope that this would satisfy their desire for property rights and encourage them to engage in more profit-driven agricultural operations (Lipton and Sachs 1992). On the Asian front, Deng and Huang (2003:211) bring to light the lack of research on the efficiency of urban reform, also recognizing that urban sprawl forms the epicenter of land debates in China. As part of the land reform programmes, China has established 'development zones'. However, these areas have yet to positively impact the rural poor while remaining largely unoccupied.

Other cases of land reform inefficiencies come from most of Eastern and Central Europe, where agrarian reform has taken centre stage (Swinnen 1999:638). The countries referred to in Swinnen's (1999) study are Bulgaria, Germany, Czech Republic, Albania, Slovenia, Slovakia, Poland, Romania, Hungary, Russia, Latvia, Ukraine and Lithuania; all of which have exhibited poor results. In contrast, land reform in the Philippines is being implemented with what appears to be a relatively successful outcome (Borras 2001:546). When compared with results from South Africa, El Salvador and Zimbabwe; redistributive land reform has reported significantly greater successes and improvements in the Philippines (Borras 2001:552). According to Bernstein (2002:436), land and property rights struggles have recurred over hundreds of years in countries such as "Russia and Mexico; eastern and southeastern Europe and China; and Bolivia in the 1950s, Vietnam and Algeria in the 1950s and 1960s, Peru in the 1960s, and Nicaragua in the 1970s and 1980s"; and so the issue of land reform has played a central role in economic development throughout recent history, making even greater waves in the 20th and 21st centuries.

Land reform has evolved over time to its present day description which is not merely the redistribution of land from large landowners to poor landless people; it now encompasses an array of tools and procedures such as: the colonization of land that is publicly owned, improvement in tenancy, titling and registration of land, consolidating holdings that are fragmented, and forms of taxation of land (Müller and

Sikor 2009). This has enlarged the pool of administrative and legal tools available to governments that can be implemented in the enhancement of land rights for the disadvantaged. Müller and Sikor (2009) identify three primary types of land reform:

- 1) Redistributive land reform – The redistribution of land and agrarian reforms involve the government-led expropriation of land from the large landowners which are then reallocated and administered to poor rural groups. A variation of this is termed ‘market-assisted’ land reform where the large landowners and aspiring smallholders negotiate and transact via the market; a process which is then facilitated by loans granted by the state. Hence, the redistribution of land relies quite heavily on the existing land/property market in the country, based on the presumption that the potential recipients of the land will be equipped to engage with this existing market (Jacobs et al 2003). Examples of this can be found in Brazil, Colombia, and South Africa (Müller and Sikor 2009).

- 2) Land registration and land titling – Registration and titling are popular in Sub-Saharan Africa and include considerations for claims on land made by ethnic groups and indigenous peoples. It is a western concept tied to land ownership and is used as a method to return land that was once communal but had been claimed by the state. This model of private ownership conflicts with the traditional African culture of communally owned land (Cousins 2002). Hence, the introduction of land titling is problematic in that although it returns the land to those who originally occupied it, it does so with the property rights pertinent to the western laws of private property. According to Cousins (2002:4) “the inevitable result of titling is to create massive boundary disputes, between adjacent communities and within levels of social and political organization. These have been evident in many of the tenure reform ‘test cases’ investigated by the department of land affairs over the past seven years”.

- 3) Post-totalitarian land distributions – A mechanism that allows those who in the past have had their land forcefully taken from them by totalitarian governments, to now have their land re-administered to them. An example of this can be seen in post-Apartheid South Africa, where the land restitution programme allows citizens to reclaim land that was appropriated from them

under past policies of racial discrimination. The land that is distributed under this mechanism is usually state-owned and is often handed over to those who are active within the agricultural sector.

For the purpose of this study, the primary focus is on the impact of the 'market-assisted' approach to land reform which is dominant in Brazil and South Africa. The following two chapters provide a brief history of the political and economic environments as well as the land rights issues of each country.

Chapter 4 Brazil

4.1 Background to the Brazilian Case

For many years, Brazilians have associated wealth with land ownership. During the period of colonization, the Portuguese King John III divided Brazil into 15 sections of land which were then entrusted to a few aristocratic families that consisted primarily of “minor nobles, military commanders, and bureaucrats close to the monarchy” (Fernandes et al. 2012:16). Attached to each large section of land was ‘hereditary succession’, ensuring that future generations of these families would be provided for. This European feudal system which was imposed upon Brazil has greatly impacted the land ownership patterns in the country.

During the colonization of Brazil by the Portuguese in the 1530s, the Portuguese King divided Brazil into 15 large sections of land called ‘capitanias hereditárias’, meaning hereditary captaincies (Assunção 2006). Each section was donated to a Portuguese captain with complete authority and hereditary succession. However, only two ‘capitanias’ had survived by the middle of the 16th century (Fernandes et al. 2012). When the 17th century arrived, it brought with it an increase in the worldwide demand for sugar, leading to yet another land distribution initiative by the Portuguese. This time land was distributed as an incentive for the cultivation and production of sugar; this land was referred to as ‘sesmarias’ (Assunção 2006). As long as the owners of the ‘sesmarias’ continued to cultivate, they would retain complete property rights to the land; and so this key condition remained throughout the agrarian history of Brazil (Assunção 2006).

Slash-and-burn land treatment became the norm as it was an easier method of land preparation for the large landowners. A trend arose allowing large landowners to control vast areas of land, while small areas of land were exploited and overworked by the poor peasants (Fernandes et al. 2012). Finally, Brazil won its independence in 1822, which also brought the ‘sesmaria’ system to an end. Between 1822 and 1850, the lack of formal land policy administration led to the development of massive

squatter settlements. However, during 1850 the influence of coffee plantation owners resulted in the passing of the Land Act, which has had a great influence on ownership patterns seen today. The 1850 Land Act aimed to valorize property in land through the regulation of commercialization which attracted workers from various countries, promising them land upon which they could live (Fernandes et al. 2012). The Land Act disallowed squatting as a form of land claim, and thus restricted the avenues of acquisition of land solely to purchasing. Even so, all the existing squatters were made legal and the 'sesmarias' were reintroduced. Land remained in the hands of a wealthy few, while the poor majorities were forced to work the large farms and plantations knowing that they could not acquire land of their own (Assunção 2006). This has resulted in Brazil having one of the most disproportionate and skewed distributions of land in the world. In addition, the distribution of income is significantly unequal. A land reform programme was implemented in 1964 in an attempt to improve inequality and intensify the use of land.

Land reform in Brazil began with the Land Act of 1964 which focused mainly on agrarian reform and stated that if an individual maintained effective use of the land for at least a year that individual could claim ownership of that land (Crittenden 1997). Two organizations were formed as a result: the Brazilian Institute for Agrarian Reform (IBRA) and the National Institute for Agricultural Development (INDA); which merged in 1971 to become the National Institute for Colonization and Agrarian Reform (INCRA). The Land Act of 1964 aimed to dissuade moves toward land redistribution; instead it entailed the "modernisation of the large landholders by means of subsidized rural credit" (Assunção 2006:6). According to Fernandes et al. (2012:22) the influence of large landowners led to the passing of the Act in support of "state investment in the modernisation of large-scale agriculture and the consolidation of agro-industries". It was only in 1985, when democracy returned to the country, that the very first formal policy called the National Agrarian Reform Plan (1985-1989) was initiated. Initially the disappropriation achieved was only 10% (Assunção 2006) of what had been planned for; nevertheless it had gotten the ball rolling, but not for long. Fernando Collor de Mello's - president of the time - implementation of the reform plan was so weak that it almost brought the process to a complete halt, until he was impeached and replaced.

Collor's replacement, President Cardoso, hastened the reform process during his reign in office; a period that was plagued with land conflicts and invasions that were led by the organisation called 'The Landless Workers Movement' (also known as the 'MST'). The majority of the population have been up in arms at the appalling 3% who own two thirds of the country's agricultural land, which is prevalent even today (McKenna 2004:21). Toward the end of Cardoso's reign, land reform began to evolve to take on a new form which involved negotiations and was termed 'market-assisted', paving the way for the present-day reform policy.

However, significant change is yet to be seen. Table 4.1 (see Appendix) displays a record of the disappropriation of land under the reign of each presidency from 1979 to 2003 (Assunção 2006:9). Here, it can be seen that under Cardoso's reign the reform process was accelerated with a cumulative total of 3588 events of disappropriation and 10,346,344 hectares of land. This was a drastic improvement compared to the presidency of Collor, which saw only 7 events of disappropriation and a mere 15,065 hectares of land being redistributed. Although strides have been made from 1995 onwards, these strides have not been major enough to fully impact the population. The landless peasants remain dissatisfied, and inequality in the distribution of land and income persist.

Assunção (2006:3) describes some of the determinants of present-day land concentration in Brazil (aside from historical influences). The shape of the macroeconomy over recent years has greatly affected the distribution of land. During periods of greater instability in the macroeconomy, people tend to increase their demand for land as a buffer to protect themselves against uncertainty and risky events (Assunção 2006:3). When inefficiencies in the land rental market are also taken into account, coupled with an unstable macroeconomy, this leads to high concentrations of land (Assunção 2006:3). These high land concentrations are at the heart of the ongoing unrest in Brazil.

Years of dismissing the pleas and needs of the landless peasants has resulted in the Landless Workers' Movement (MST) becoming the largest social movement in Latin America (Almeida and Johnston 2006:10). The new democracy in Brazil not only

allowed for the Landless Workers Movement to be formed, but also introduced free-market forces into the agricultural industry of Brazil (McKenna 2004:23).

The MST, since its formation, has adopted several strategies and methods of claiming land for the members of the movement and other landless peasant groups. A general three-step procedure is followed when a piece of land is found. *First*, members will occupy the land; *second*, they will resist the landlords' and government's attempts to forcibly remove them from the newly occupied land; and *third*, they will begin agricultural production on the land (McKenna 2004:24). The second stage has been the cause of much upheaval and improper conduct of members. According to reports from MST leaders, this process of land claim has been successful in a few cases (McKenna 2004:24). Peasants can then live securely on their land and enjoy the fruits of their labour, either through subsistence farming or by farming for the provision of products in the marketplace. However, the process is tedious, long, disruptive and risky – coming at a high cost. The failure of land reform policy to be effectively executed results in unrest, leading to economic disturbances and instability. João Pedro Stedile (a leader of MST) provides the main reason for this failure in execution as follows; there exists insufficient clarity of the details pertaining to the land reform policy in Brazil (McKenna 2004:30) therefore people are ignorant as to what to expect or what to carry out in their duties and roles as negotiators.

Brazil appears to fit the relevant theory in that it has included a 'classical capitalist land reform' in its policy which breaks up large pieces of land into smaller pieces for redistribution. However, in practice the World Bank reported that the system being used to reform land instead bears closer resemblance to what is called the 'settlement method' where the government confiscates or buys the land from the large landowners and transfers ownership to peasants in order to avoid any further uproars (McKenna 2004:30). This type of land reform procedure is costly, highly inefficient and time consuming. The ongoing turmoil has had detrimental effects on the economy and on society as a whole.

Recent studies by the UN Development Programme of 2007 indicate that 45% of the income in Brazil accrues to only 10% of the population, while a pitiful 3% of the

income accrues to 20% of the population – resulting in one of the most unequal distributions of income in the world (Carter 2010:189). Carter (2010:189) describes the position of rural Brazil; “a highly modernized and dynamic agricultural economy coexists with a pauperized society in which more than half the population lives below the national poverty line”. It is shocking to note that Brazil is internationally known for being a major player in the exportation markets for beef, sugar, soybeans and coffee beans; and yet it was reported by the World Bank (2005) that 14% of the population suffer from hunger (Carter 2010:190). Aside from the persistence of high levels of poverty, compared with other Latin American countries, Brazil has shown the least improvement through land reform programmes and land reallocations while being the fifth largest country in the world (Carter 2010:191); this appears to be an illogical result - surely something is seriously amiss.

4.2 Impact in Brazil

Agrarian land in Brazil is split between *minifundia* and *latifundia*. *Minifundia* refers to a small piece of land upon which peasant farmers live and work primarily for the purpose of subsistence production; while *latifundia* is a large expanse of land or an estate which is owned by a large/wealthy landowner but is not necessarily fully utilized for farming. The underutilization of *latifundias* is what led the land reform authorities to believe that even if land were to be redistributed on a significantly large scale, this would not negatively impact the level of agricultural production in the country (Baer and Filizzola 2005:3). Hence, it would not be necessary to make any trade-off between efficiency and equity.

Initially the ideology that promoted the reform of agrarian land was that medium-sized family farms were the most efficient and that when inequality is present in land ownership patterns this inevitably leads to inefficiencies (Baer and Filizzola 2005:3). However, certain events within the agricultural sector have proved otherwise. The 21st century brought with it a boom in agricultural production at a national level, the result of major advancements in the modernization of the agri-business sector which is closely associated with the introduction of strong neo-liberal trade policies (Baer and Filizzola 2005:4). However, this was opposed by forces such as ‘The Landless Workers’ Movement’ who began rallying against the high concentration of land ownership within Brazil. According to Carter (2010:190) a fifth of the Brazilian

population resides and works in the rural country-side, however more than a quarter of the national farmland area is left unproductive.

Although Brazil's agricultural sector was sorely neglected during the 1950s and 1960s, its growth of agricultural output surpassed the growth of the population. However, this growth in output occurred mostly at the extensive margin rather than the intensive margin of products. As the 1980s approached, the output per hectare of certain major produce gradually expanded but at a slow rate, and in some cases was mostly stagnant in growth as shown in Table 4.2. This changed in the 1990s when a rapid increase in agricultural productivity occurred; with grains rising by 131% between 1990 and 2004 despite the land area for cultivation expanding by a mere 16.1% (Baer and Filizzola 2005:5). A comparison of land areas under cultivation per crop in 1961 and 1982, as shown in Table 4.2 b), indicates that there has not been significant increases in the land areas under cultivation. However, the change in area utilized from 1982 to 2003 is substantial in most cases; owing largely to the agricultural boom in the 1990s. The effects of the boom are evident in the measures of Total Factor Productivity (TFP) which experienced an average growth rate of 3.3% when measured during the period from 1975 to 2002 (Baer and Filizzola 2005:8).

However, if one were to consider the period of the 1990s and early 2000s the average growth rate of TFP was 4.88% and 6.04% respectively, indicating that the greater portion of positive growth in TFP was contributed by the latter years. It was found that much of the growth in TFP owed to increases in land productivity during this period (Baer and Filizzola 2005:8). Accompanying the growing success of the agricultural sector and agri-business industry, was a fast-growing need to address the issue of agrarian land concentration. The beneficiaries of the agri-business boom were few and far between while the masses of poor peasants remained dissatisfied with their lot in life. Pressure from various organisations began to mount, and so land reform seemed the obvious solution to appease the poor landless population.

Table 4.2**a) Average Yearly Growth Rates of Real Agricultural Output in Brazil**

YEARS	GROWTH RATE %
1947-50	4.3
1951-54	4.5
1955-58	4.2
1959-62	5.8
1963-66	3.2
1967-70	4.7
1971-76	5.9
1977-81	5.0
1981-86	1.8
1987-92	2.9
1993-96	2.3
1997-99	3.9
2000-03	5.4

b) Agricultural Productivity in Brazil, 1961-2003(Hg/Ha)

	1961	1982	2003
Coffee	5,084	5,054	8,190
Dry Beans	6,760	4,898	8,047
Corn	13,123	17,308	36,961
Rice	16,989	16,158	32,381
Soybeans	11,269	15,647	27,901
Seed Cotton	6,307	5,320	30,731
Oranges	148,359	196,591	206,344
Sugar Cane	434,477	605,151	722,895

Source: Baer and Filizzola (2005)

During the period of the 1990s the Brazilian government began its implementation of ‘market-assisted’ land reforms as a means to help alleviate poverty in poor regions of the country; reforms which were largely financed by loans from the World Bank (Pereira 2007:23). The World Bank has been the primary promoter of the ‘market-assisted’ approach to land reform in several developing countries. According to Fernandes et al. (2012:42), the World Bank finances ‘market-led’ agrarian reforms through various programmes including the “Land Bank, Combat Rural Poverty, and Family Farm Consolidation credit lines”. It is believed that the ‘market approach’ would have a less detrimental effect on existing markets than would the alternate model of state-led land expropriation (Pereira 2007:23), due to the fact that the market approach uses the existing property market while state-led reforms would

bypass the market. Prior to the introduction of the 'market-led' land reform strategy, state-led reforms took centre stage as the 'go-to' solution for land reform in Brazil. Present-day land reform is officially termed 'market-assisted', however many cases of state-led land reform are still performed depending on the circumstances.

The 'market-assisted' approach is based upon the concept that there exists a 'willing buyer' and a 'willing seller' in order for a transaction to be initiated. The trade of land is partially funded by the state by way of a subsidy, which is considered an investment by the state "in socio-productive infrastructure" (Pereira 2007:28). Agrarian reforms sponsored entirely by the state can involve the settlement of twenty families, or even five hundred families, while reforms driven solely by the markets can often extend to only a single family (Fernandes et al 2012:42). This 'single family' result has swayed both social movement groups and scholars to oppose the completely market-driven approach to land reform, arguing that this type of reform reaches too few individuals. In addition, beneficiaries tend to experience a lack of pre-reform and post-reform support and limited information, leading to undesirable results (Fernandes et al. 2012:42). Nevertheless, variations of the 'market-assisted' approach to agrarian reform persists.

The land reform programme in Brazil is designed to facilitate the productivity of the land in that it provides higher investments to those who require lower loans to purchase the land. In general, the 'willing seller' would be paid the market price of the land; while the 'willing buyer' could be an individual or a "communal association" (Pereira 2007:28). This system has allowed for thousands of small-scale farmers to benefit from the agrarian reforms (Fernandes et al. 2012); but even so the system has been plagued with several problems and difficulties.

The method of land reform adopted by the Brazilian government involves several actions. Local financial institutions act as a 'middle-man' between the state and the farmers by issuing subsidized loans to the farmers. Fernandes et al (2012:42) describe the initial stages of the process in three steps as follows; "the state finds land, rural labour unions filter candidates, local banks provide loans". Unfortunately, this results in the new farmer being weighed down by debt before the land has been made productive, which indicates that this system of reforming land lacks the

economic and political content that land reform policy should possess for it to fulfil its role of poverty alleviation. With the burden of debt being significantly greater than the resources held by the new farmer, there then exists an insufficiency in the farmer's capacity to repay the loan that was initially granted by the local bank (Fernandes et al 2012:42). Thus, the primary aim of the reform programme to enable the farmer to become a land owner is rarely fully realized.

A land reform programme initiated in 1997, Cédula da Terra (PCT), assisted 15 255 families over a five year period, incurring an accumulative cost of nearly R\$ 100 million, where R\$ denotes the 'Brazilian Real' which is the currency used in Brazil. This programme went on to settle a further 62 990 families up to the end of 2008 (Buainain et al. 2011:11). The reform programme used the market approach and required landless farmers to formally apply for land, while loans for land purchases were made available to successful applicants. It was found that several problems met the new landowners upon completion of land transfer; including issues related to credit access, technical assistance and education. Buainain et al (2011:27) suggest that policy should be adjusted to improve on aspects of increased provision of credit, technical assistance, and education for long-term maintenance of the land, market accessibility and new agricultural production techniques.

Another study by Fernandes et al. (2012:42) refers to research which was incorporated into a paper by Ramos Filho (2009). The study included interviews that were performed with approximately 1500 beneficiaries spread across thirteen states in Brazil. It was found that most of the beneficiaries who were interviewed were not made to understand and grasp the terms under which they were granted loans, and did not possess a copy of the purchase agreement for the land which was transferred to them. A staggering 40% had not even received any form of technical assistance from the state to bring the land to full productive capacity; and with production levels being insufficient many beneficiaries defaulted on loan repayments which resulted in 19% of these residents abandoning their land. This is a clear indication that although the land reform programme was intended to impact the beneficiaries' lives positively, it may have actually worsened the financial position of many, and most likely deepened the state of poverty under which they live.

The boom that occurred in the 1990s within the agri-business sector is believed to be as a result of trade liberalisation policies that were introduced during this period. Carter (2010:190) describes the resultant system as “the formation of a powerful triple alliance of the national landed elite, the state, and global agro-food corporations”. Land reform efforts to weaken the power held by large landowners have consistently been thwarted, as they continue to hold political and economic influence. It appears that this elite within society has resisted land reform programmes as well as any other plans to assist the poor and improve their rights (Carter 2010:190). The inequality between rich and poor can be seen clearly in political representation. During the period from 1995 to 2005 landless peasants were represented by one federal deputy for every 612 000 families, whereas the large landowners were represented by one federal deputy for every 236 families (Carter 2010:191). This incredibly large inequality (representation of the large landowners was about 2587 times greater) resulted in large landowners having access to \$1587 (US dollars) from the public treasury for each single dollar made available to a peasant family (Carter 2010:191).

Consideration for the sectoral distribution of the labour force in Brazil shows that the share of the labour force in the agricultural sector has been declining substantially over time (Table 4.3). According to Baer and Filizzola (2005:10) this decline is evidence of the relative inefficiency of the rural labour force. The distribution of rural land and income has remained very concentrated despite the efforts made to reform rural land. The magnitude of the disproportion in land concentration is reflected in the figures in Table 4.4 a) and b) (Baer and Filizzola 2005:12). The concentration of the number of farm units that are less than 10 hectares in size has reduced over time, while the concentration of all other farm sizes has increased very slightly. Only a little over 1% of existing farm units are greater than 1000 hectares in size, evidence that land ownership of large areas are concentrated in the hands of very few. Almost half of the agrarian land in Brazil is concentrated within the category of farms greater than 1000 hectares. This has remained somewhat steady between 1980 and 2000, indicating that any land reform implemented during this period did not significantly alter land concentration.

Table 4.3**Sectoral Distribution of the Labour Force in Brazil (%)**

	Agriculture	Industry	Services	Total
1939	65.9	10.4	23.7	100.0
1969	45.1	17.9	37.0	100.0
1995	22.8	21.0	56.2	100.0
2003	23.0	24.0	53.0	100.0

Source: Baer and Filizzola (2005)

Table 4.4**a) Concentration of Property by Number of Farm Units in Brazil**

	<u>1980</u>	<u>1985</u>	<u>1995</u>	<u>2000</u>
Less than 10 ha.	50.35%	52.83%	49.43%	31.6%
From 10 to 50 ha.	31.49%	29.68%	31.12%	42.1%
From 51 to 100 ha.	7.58%	7.55%	8.24%	11.5%
From 101 to 500 ha.	8.33%	7.89%	8.47%	11.4%
From 501 to 1,000	1.12%	1.03%	1.20%	1.8%
More than 1,000	1.13%	1.02%	1.54%	1.6%
	100.00%	100.00%	100.00%	100.0%

Source: Baer and Filizzola (2005)

b) Concentration of Property by Area in Brazil

	<u>1980</u>	<u>1985</u>	<u>1995</u>	<u>2000</u>
Less than 10 ha.	2.47%	2.66%	2.23%	1.8%
From 10 to 50 ha.	10.18%	10.52%	9.97%	10.2%
From 51 to 100 ha.	7.50%	8.04%	7.76%	8.0%
From 101 to 500 ha.	23.74%	24.13%	23.57%	23.8%
From 501 to 1,000	11.01%	10.92%	11.36%	12.4%
More than 1,000	45.13%	43.74%	45.20%	43.8%
	100.00%	100.00%	100.00%	100.0%

Source: Baer and Filizzola (2005)

It is evident that despite the significant growth in the agribusiness sector there has not been any significant movement of the distribution of income toward a more equitable position. Although the agricultural production sector generates more jobs than the agribusiness industry, according to data presented by Baer and Filizzola (2005:15), the average income of a worker in the agricultural production sector is far lower than the average income of a worker in the agribusiness sector (Table 4.5). Furthermore, in 2002 the average income of a worker in the agricultural sector (R\$ 800.06) was substantially lower than the average income of a worker at a national level (R\$ 5934.66). It is important to note that these 2002 averages include both employee and employer statistics, therefore the average of the working class peasant population alone would be much lower. According to Brazil's Institute of Geography and Statistics (IBGE) more recent data (2010 census figures using 2014 exchange rate) estimates the national average monthly salary for the average peasant worker at R\$ 1643.14, while the richest 1% of the population earn an average of R\$ 22 652.53 per month, evidence of a significantly large income gap. Baer and Filizzola (2005:27) found that overall, the distribution of income did not improve through land reform due to the fact that basic agricultural production (excluding agribusiness sectors) contributes a very small percentage to the country's GDP. Hence, land reform may not be the best solution in addressing the issue of income inequality which is so rife in Brazil.

Table 4.5

Employment and Average Income in Agriculture and Agribusiness in Brazil (2002)

Sector	Number of Workers	Average Monthly Income (R\$)
National Level	66, 373, 200	5, 934.66
Agriculture and Livestock	12, 508, 400	800.06
Other Agribusiness Sectors	5, 265, 800	4,018.28

Source: Baer and Filizzola (2005)

The Gini coefficient reveals a high concentration of income in Brazil. Bulmer-Thomas (2003:11) showed that in 2000 Brazil had the most unequal distribution of income in

Latin America, with almost half of the national income accruing to only 10% of the population. Lambais (2008:4) uses data from the *National Institute for Colonization and Agrarian Reform* (INCRA) and the *Food and Agriculture Organisation* (FAO) of the *United Nations* in the construction of Figure 4.1 (see Appendix) which shows Gini coefficients for several countries including Brazil. This data is not commensurate with the Gini coefficients estimated by the World Bank that estimated the Gini coefficient to be 0.64 in 2000, compared to the 0.8 estimated by INCRA and FAO in 2000. Nevertheless, all estimates indicate that the distribution of income is very concentrated and unequal in Brazil. According to the World Bank, the Gini coefficient was measured at 0.54 in 2009. Improvement by a small margin in 2010 was recorded by the World Bank when the Gini coefficient was measured at 0.53. However, this is still viewed as a high level of income inequality.

Table 4.6 shows that up until 1994 a high Gini coefficient could be found in areas that benefitted from the land reform because these were not nearly efficient enough. A mere 176 033 families were resettled across 21 million hectares of arable area (Baer and Filizzola 2005:18). Although this reform process was hastened during Cardoso's reign in office - a further 423 000 families were resettled over 22 million hectares of agrarian land - by the end of 2002 only 7.2% of the total agrarian land in Brazil had been reallocated.

When President Lula took office in 2003, an adjusted land reform plan was initiated which aimed to resettle 530 000 families within three years. Alas, this goal was not met due to a lack of funding and a number of bureaucratic delays, and only 36 301 families were reached by the programme (Baer and Filizzola 2005). Nevertheless, it would be incorrect not to acknowledge that progress has most certainly been made, however the MST believe that greater efforts are required to make a more significant difference; even going as far as to question the authenticity of the official numbers of land reform statistics that have been published (Baer and Filizzola 2005:19).

Table 4.6**Land Reform Projects in Brazil: Completed from 1994 up to 2002**

	<u>Number of Projects</u>	<u>Number of Families Settled</u>	<u>Total Area (ha)</u>	<u>Average Size (ha)</u>
Until 1994	953	176,033	21,043,013	76.3
1995	388	51,765	2,656,170	44.6
1996	461	64,312	2,411,588	41.1
1997	704	77,810	3,831,710	44.5
1998	875	90,341	3,889,456	42.6
1999	840	54,688	2,479,325	42.3
2000	700	37,024	2,286,454	52.7
2001	647	33,800	2,072,204	47.8
2002	485	14,073	2,398,873	81.0
Total	6,053	599,846	43,068,794	57.5

Source: Baer and Filizzola (2005)

It has been argued by the MST that "...the continuing poor distribution of land is due to liberalization policies that favor large-scale, technologically advanced, export oriented agriculture rather than small farmers growing for local markets" (Baer and Filizzola 2005:24). Other major concerns raised by the MST were that even after the resettlement of families was completed there had been no support provided to assist the families with the technical aspects involved in bringing the land to efficient use. The lack of training provided to the new land recipients results in the maintenance of the productivity of the land being very difficult and often results in a lost cause. The families are then forced into selling the land due to the inability to maintain the land and the inability to repay their debts (Baer and Filizzola 2005:20). Although the absolute count of the completed cases of land reform are impressive, compared to sixteen other Latin American countries that have implemented land reform, Brazil ranks last with regard to the percentage of families that have benefited from such programmes (Carter 2010:191). It appears that government is hesitant to take any drastic measures to equalize the distribution of land so as not to upset the agricultural and rural forces that be, resulting in land reform programmes having little to no real impact on land ownership patterns in the country (Carter 2010:192).

The modernisation of the agribusiness sector and liberalisation policies boosted agricultural productivity and the pockets of big landowners. The agricultural annual growth rate was a healthy 5.4% between 1999 and 2003. This resulted in Brazil

becoming the second largest global producer of soybeans, the third largest corn producer, and the global leader in sugar and coffee production. In addition, the craze of cattle farming had hoisted Brazil into becoming one of the world's major producers of beef and leather products; not to mention the growing participation in cotton production and bio-fuel innovations (Baer and Filizzola 2005:9). A country that has made advancements of such great magnitudes would be expected to be able to provide for the majority of its population; yet its masses are still living in desperate poverty.

One may take this analysis further by comparing this outcome to that of Switzerland and Netherlands, two countries that have not had any land reform initiatives. Switzerland's agricultural sector comprises primarily of small-scale farming due to government regulations which encourage self-sufficiency and restrictions on agricultural imports. Despite the small-scale farming system, Switzerland has been able to successfully operate a highly productive and efficient agricultural sector with quality produce. This has been achieved through the imposition of strict trading policies and the use of highly skilled and knowledgeable farmers, entrepreneurs and labour. On the other hand, the Netherlands has developed the agricultural sector adopting larger scale models of farming and producing at high levels for export. The Netherlands is currently the second highest exporter of agricultural produce in the world. This is phenomenal performance for a country with an area of 41 528 km², when compared to Brazil which is 8.516 million km². This is an indication that the size of a country and the amount of land available is not necessarily the determinant of the agricultural productivity of a country. The skill-level of the farming population, education and training, technology and farming methods used are integral to achieving success. Where there is a major shortage of both skilled labour and a culture of entrepreneurship, so too will there be under-production and inefficiency in the use of the land.

The Lula government (up to 2010) failed to maintain the land redistributions at the level that was carried out by the Cardoso government, mostly due to the conservative approach taken toward policy implementation. This conservative approach was adopted in order to avoid putting a spanner in the works of the agribusiness industry. According to Carter (2010:197) the Lula government aimed at the promotion of

currency flows from agricultural exports by increasing the support provided to agribusiness farms. Between 2003 and 2007 the government's support for the elite landowners and agribusiness participants was seven times greater than the support provided to peasant farmers, despite the fact that the rural labour force is comprised 87% of peasants (Carter 2010:197). According to Alston and Mueller (2010:28) the mass voters appear to prefer land reform policies which aim to redistribute land (rather than other forms of reform) because of the high levels of inequality. The indirect consequences of this preference are that landless peasants are left unemployed and cases of land conflicts rise.

Unfortunately, there is little to no academic research available on the land reform activities in Brazil since the start of the Rousseff presidency in 2011. However, news/media articles and reports have shed some light as to the direction it has taken in recent years. The *Latin American Herald Tribune* reported in 2012 that nothing had been done by the Rousseff presidency with regard to land reform; including allegations that the government had reduced the investments to be made in land expropriations. According to a report in *Equal Times*, 2013 saw virtually no progress made by land reform programmes in Brazil. John Paul Rodrigues, a coordinating member of MST, expressed immense disappointment, stating that only 159 families were resettled during 2013. It is believed that this shockingly poor result is due to the dominance of agribusiness forces within the National Congress who have the power to sway policies in favour of their objectives, while neglecting those of the masses. These media statistics and reports cannot be verified in terms of quality and reliability (such as those offered in academia), however it does give the reader an idea of the increasing dissatisfaction of the rural poor in Brazil.

Lambais et al. (2013:45) find that for land reform to be successful the "initial access to technical assistance, credit, and good resource endowments, group cooperation with collective labour" are integral factors. Households become technically efficient when agricultural production is more market-orientated and the use of resources is more intensive. According to leading peasant movement organisations (such as MST and Via Campesina) agrarian reform policy must meet certain criteria moving forward. Recommendations made for the purpose of policy changes involve improvements in infrastructure, transportation, education and health. Additionally,

policy should be drawn up in a manner that considers the provision of subsidised credit which favours and serves to protect peasants. Technical assistance should be made available free of charge to new land owners, and new farmers should receive adequate support in entering the agri-business industry with freer access to the markets. Further suggestions from Pereira (2007:24) offer areas for consideration which are laid out as follows:

“...the agrarian reform debate must incorporate discussions on topics related to the growing tendency for privatization of natural resources such as food sovereignty, free access to seeds and agro-ecology, and the concentration, centralization and financing of intensive capital in the agricultural system.”

The situation at hand is something of a predicament. The agricultural sector is healthy and growing steadily, however this has not been beneficial to all Brazilians because profits accrue to the few wealthy landowners. In the meantime pressure for land reform is growing and for good reason; far too large a portion of the population is suffering in a land of plenty.

Chapter 5 South Africa

5.1 Background to the South African Case

South African land tenure has been shaped by numerous events and influences. There exists a rich history of state regulation, land dispossession, struggle and rebellion attached to present-day regimes. The colonial period followed by the racial oppression of Apartheid, have led to white settlers and their families taking possession of and inheriting the majority of the land in South Africa. "African 'reserves' were created as a way to contain resistance and to facilitate the supply of cheap labour for the emerging capitalist economy" (Cousins 2007:283). Black South Africans were not permitted to own land outside of the 'reserves' which diminished their agricultural abilities and access to land. According to Hall (2004:33), "Agricultural capital has long been a white preserve in South Africa, and a crucially important political constituency for successive Apartheid governments".

Many years prior to the formation of the Bantu people and long before the first Western interventions, South Africa belonged solely to the native African San people. The aboriginal people known as the KoeSan or San people are the primary tribe to whom the country first belonged, thereafter other tribes and indigenous groups were formed. The Koe (sheep and cattle pastoralists) and San (hunter-gatherers) tribes, as well as all Bantu-speaking people are considered to be the indigenous people of South Africa (ILO 1999). The term Bantu-speaking refers to people who speak any of a set of languages that are native to Southern Africa, such as Zulu; Ndebele; Sotho and Xhosa (among others). It is important to first understand how land was treated and used by the indigenous people, in order to appreciate the full effect of and some of the reasons behind the reform failures in recent times.

Communal ownership of land supported the livelihood activities of hunter-gatherers and pastoralists; the basis upon which indigenous people thrived. These tribes lack formal institutions; the institutions present are mainly the family unit and leadership from traditional healers or chiefs (ILO 1999). The subsistence economy dominated; there existed no Western notions of trade, exchange or bartering. Land was

abundant and the population was small, meaning that since land was communal and belonged to all, people were free to do as they pleased. Tribes could graze, hunt and relocate at will to any available land they found. This is the foundation upon which the major challenges of land reform are resting today. The land wastage that occurs once land is reformed is linked to the fact that while the indigenous tribes receive the land that is rightfully theirs, land itself is no longer abundant and people are no longer few. Communal ownership and the subsistence economy are no longer a practical or productive way of life, while it is not accommodated for in Western economic structures and institutions.

Colonialism has historically affected many African countries, and there are important lessons to be learnt for the young democracy that exists in South Africa. An integral influence on South Africa's land history has to do with the associated events in Zimbabwe. Colonialism in Zimbabwe had similar effects to South Africa, as the majority of the land was forcefully claimed by white settlers. The magnitude of the problem within each country is somewhat different, as well as the methods implemented to correct the issues. Atuahene (2011) provide reasons behind the greater land revolt that was experienced in Zimbabwe between 1980 and 2011. According to Atuahene (2011: 122) "only about three percent of South Africa's GDP is based on agriculture, whereas before the 2000 land grabs in Zimbabwe, agriculture contributed about 20 percent of that country's GDP". A vast portion of the Zimbabwean population depend on the land for their livelihoods from an economic perspective. This differs to South Africa in that agriculture contributes only a small amount toward GDP, while over a third of the South African population actually reside in rural areas and thus require the land for survival.

The hunger of the Zimbabwean people and of Robert Mugabe's ruling party (ZANU-PF) to 'take back the land' from white owners spurred a major revolt within the country and led to mass confiscations of land from the white farmers. Many wonder if South Africa will, at some point in time, follow in these footsteps. However the lesson South Africa needs to take away from the Zimbabwean experience is one of utmost importance: Zimbabwe's economy crashed and instability in its currency drowned the country in a hyperinflation crisis which peaked in 2008 at a monthly rate of 79.6 billion percent (Hanke and Kwok 2009). Soon after, the use of the local currency

ceased and currencies from other countries began to exchange hands (Hanke and Kwok 2009). What would become of South Africa should it also begin radical land reforms such as Zimbabwe? The consequences ought to be carefully considered before action is taken. Even so, the issue of inequality still remains and must be addressed for there to be any justice served to the native people of South Africa.

The South African history of land rights can be traced back to the pre-colonial period through to the era of colonization, followed by the Apartheid era. These three periods form the historical background for the post-Apartheid and modern-day tenure regimes.

During the pre-colonial era land was abundant and resource exploitation was extensive. The traditional economy was strong within the indigenous communities. African men usually engaged in activities associated with living a semi-nomadic way of life (Houbart Houghton 1953:350). The ownership of cattle was a major economic and a social influencing factor; while crop farming played only a small role (Houbart Houghton 1953:350). Although land was necessary for the survival of the people, this demand did not exact an exchange value (or market price). The rights to land were vested in communities that were run by elders and chiefs. As long as an individual was a member of that particular community, that individual had rights to access the land (Cousins 2007). In most parts of the country there existed various means through which one could acquire land; through formal transfer, marriage, and even migration. One could request land from one's parents; or from another relative or friend. An alternate route was to apply to the headman or chief. Tenure security was guaranteed under the conditions that members respected the ethical code of the community (tribe), and effectively used and maintained the land they were granted (Cousins 2007). Common practice of some tribes was to claim land, use it to the point of depletion and then to move on to new land. This often accompanied inter-tribal wars where one tribe would have to fight off a weaker tribe in order to claim the land (Houbart Houghton 1953:351). Land that was successfully claimed was often shared by large families; where each member had a right to use the land, and men and women had equal eligibility in the claim of land. A key feature of the communal land system was that the access to and the use of scarce resources were shared by all. The regulation of common property was the responsibility of the higher authorities

in the tribes. This tenure system was common among a number of South African tribes, such as: Tswana, Sotho, Pedi, Zulu, Pondo, Lobedu, and Venda (Cousins 2007:295).

The colonization of South Africa (by the Dutch and then by the British) impacted on the ownership and use of land. The increased population and demand for agricultural development to support the newly formed western markets led to the increased scarcity of land. Laws were passed that ordered the resettlement of indigenous groups on a large scale; disrupting the communal systems of the tribes. There was a growing feeling of insecurity, and hostility toward the foreigners had increased.

During the period of British rule the country was split into four regions governed by different political entities, these were: the Cape Colony; Transvaal Colony; Natal Colony and Orange River Colony. The *Native Locations and Commonage Act of 1879 passed by the Cape Colony* allocated specific areas for black South Africans, where the rights to land ownership were reduced in their capacity. However, this Act was not received well and a new act – the *Glen Grey Act of 1894* – was passed. This new act was designed to increase the supply of migrant workers to the mines. Even this was not embraced by the tribes, with one of the restrictions being that a married man was not allowed to own more than one plot of land; thus tenure security remained low.

After 1881, black South Africans in many parts of South Africa were no longer allowed to hold land in their personal right and under their own names, in addition to this they were confined to 'reserves' (Cousins 2007). The aim of the foreign settlers was to reduce African ownership and increase their own, which resulted in resentment and conflict. The new form of livelihood for Africans was income via wage labour, which suited the desire that the foreigners had for growth of the capitalist economy. Thus, the traditional communal land tenure system was broken; gender ownership was skewed; the traditional family unit collapsed with the introduction of the western economy and industrialization; and an imbalance of power prevailed.

The Apartheid Era began in 1948, some years after the close of colonialism. The South African Union party was established between the British and the Afrikaners

(South African Dutch descendents) in order to gain independence from the British colony, however it was only when the National Party came into power in 1948 that South Africa gained full independence from the Crown. The transition period between the two eras brought with it the *1913 Native Land Act* which limited the reserves to a mere 7% of the land in the country (Cousins 2007). Another 6% of land area was added to this through the *1936 Land and Trust Act* (Cousins 2007). A number of regulations were introduced leading to a further reduction in tenure security. Black South Africans who laid land claims were denied and farming via land rental was disallowed (Feinstein 2005). Black South Africans were forced into working in the mines, providing cheap labour for the European-owned mining companies.

However, the country underwent industrialization from 1924 onwards (Feinstein 2005), to reduce the dependence of the economy on mining. Thus, labour was directed toward the farms and the agricultural economy grew, once again favouring white South Africans who owned the vast areas of commercial farmland. Racial discrimination governed laws, giving white residents the upper hand. Black South Africans resorted to revolt and upheaval in response to the racist laws. According to Cousins (2007), the *Bantu Authorities Act of 1951* played a key role in rural rebellion movements. It forced upon the tribes, an authoritarian rule by chiefs who reported to the state and who were incentivised to increase their own lot. In addition, plot size was restricted and female rights to land fell away. The changes in land tenure worked to induce cheap labour policies, and the “cost-effective control of rural populations” (Cousins 2007:302), while promoting racial discrimination and oppression of black South Africans.

Due to the large-scale dispossession that has occurred over time, South African reform policy for the post-Apartheid era focuses on both redistribution and restitution.

Three types of land reform to be implemented in South Africa were set out in the *White Paper on South African Land Policy 1997*:

- 1) Land Redistribution

Programme that assists poor and previously disadvantaged groups/individuals to buy land and thus become land owners. This is usually directed at

addressing the racial imbalance of land ownership in the country.

2) Land Restitution

Allows for land or some form of compensation to be returned to the original landowners who lost their land as of 19 June 1913 when racially discriminatory laws were passed.

3) Land Tenure Reform

A type of land reform that “aims to bring all people occupying land under a unitary, legally validated system of landholding. It will devise secure forms of land tenure, help resolve tenure disputes and provide alternatives for people who are displaced in the process” (White Paper 1997:9).

A ‘market-assisted’ (Hall 2004) approach is taken toward addressing issues of inequality and tenure security in an attempt to ‘right’ the wrongs of the past. The *1997 White Paper on South African Land Policy* provides the policy framework for land reform in South Africa (Lahiff 2007:1579). Lahiff (2007:1580) quotes the objective of the policy from the *1997 White Paper*:

“The purpose of the land redistribution programme is to provide the poor with access to land for residential and productive uses, in order to improve their income and quality of life. The programme aims to assist the poor, labour tenants, farm workers, women, as well as emergent farmers. Redistributive land reform will be largely based on willing-buyer willing-seller arrangements. Government will assist in the purchase of land, but will in general not be the buyer or owner. (White Paper 1997)”

The intention is to implement the policy by means of a redistribution programme that benefits as many people within the target groups as possible. Specific details on the programme are found in several policy documents that can be altered and expanded as required (Lahiff 2007:1580). Hence, the aim of the land reform programme is essentially to assist in uplifting the poor by providing land and income security. This should be achieved while also considering the existing agricultural sector of the economy. In order to establish just how successful (or not) the programme has been

one must study both the direct aims and outcomes of the programme, as well as the by-products affecting the existing markets and economy as a whole. An effective programme should be effective in achieving its objectives, while also ensuring that there are no secondary compromises or losses to all markets involved and affected that lead to inefficiencies and wastage. The questions to be investigated are:

- 1) Is the land reform programme achieving the objectives set out?
- 2) What affect is the programme having on the Agricultural sector and the economy of South Africa?

The concept mentioned in the abstract above; “willing-buyer willing seller”, is what is referred to as the market-assisted approach to land reform. This process changed the non-market approach to land reform by introducing market mechanisms (Lahiff 2007:1580). The decision to adopt this specific approach is aligned with the “neoliberal macroeconomic strategy” of the African National Congress (ANC - South Africa’s first democratically elected government), in the hope of encouraging and building a more investor friendly environment within South African financial markets (Lahiff 2007:1580). The process of reforming land is ‘demand led’, meaning that government does not participate in any prior purchase or expropriation of land for subsequent resettlement, rather the programme requires that members of the public make a claim in order to initiate the process (Adams and Howell 2001:6).

The programme proved to be effective on several accounts, but there are still many problems and criticisms. According to Lahiff (2007:1580) the system has been criticized for transferring what was previously commercial farmland to poor people who do not have the necessary skills and capital to continue with production to serve the agricultural market, thus the land is run down and misused to the detriment of the agricultural sector. Other problems that have arisen include the cost of transacting being far too high; inadequate infrastructure on a provincial level; and an insufficient reform grant to the land claimants which encourages the formation of deficient groups of people in order to attain the required funds (equivalent to the asking price) to purchase the land (Adams and Howell 2001:6). It was found that most of the redistribution cases have involved applicants who were individually unable to afford to purchase the land at the asking price, therefore a group of applicants pool their resources in order to purchase the commercial farmland that is owned by white

farmers (Lahiff 2007:1581). This outcome highlights the large discrepancies in the grants provided by the state to assist applicants in making their purchases and the actual cost of the agricultural land; begging the question of whether or not the initial plan for reform is realistic.

Another criticism of the programme is that it is “perpetuating highly unequal relations between white owner-managers and black worker-shareholders, and for providing little by means of material benefits to workers” (Lahiff 2007:1581). There are various successes and failures linked to the reform policy being implemented in South Africa; a further analysis of which is presented in 5.2 of this chapter.

The market-assisted approach that has been adopted in South African policy has also been adopted elsewhere in the world, as well as in Brazil, however the South African version of this approach differs slightly. Lahiff (2007:1582) describes the South African land reform programme as an “outcome of competing imperatives and contending political forces”, rather than a single policy that outlines the programme in entirety. The issue of land reform was not raised as an issue of utmost importance as it contends with issues such as HIV/AIDS; where greater discourse, efforts and funds have been directed (Lahiff 2007:1583). This matter itself is contested within government where some political forces believe land reform should be pushed to the forefront. The pieces that make up the land reform programme seem detached and present a haphazard policy on the whole, making the process very slow and unable to meet its primary goals (Lahiff 2007:1583). A discussion of the impacts of the implemented land reform programmes in South Africa follows.

5.2 Impact in South Africa

The dawn of democracy in South Africa brought with it a new perspective to land reform in the country. According to an account by Hirsch (2005) the first democratic government under Mandela and Mbeki were not strongly focused on land reform, while other issues took priority. There was very little effort expended on the issue of redistribution of land and expectations were low as the amount of arable land in South Africa is limited with much of the inland areas comprising of desert. Additionally it is also mentioned in the MERG (1993) Report that it was unclear at the

time as to whether the ANC party was committed to a solid programme that would provide the rural poor with access to land for production and residential purposes. This lack of clarity is an indication in itself that the ANC had not yet planned for any major land redistribution. It is only during more recent times, years after the first democratic government was elected, that the issue of land reform has been more aggressively debated. The influence of the first democratic government which was an economically conservative government and support from the World Bank led to the implementation of the conservative market-led approach to agrarian reform.

South African land reform policy has come to rely heavily on the market, with very little intervention from the state. The need for land reform arose because, by 1994 (the end of Apartheid), approximately 82 million hectares of agricultural land belonged to white people; this amounted to 10.9% of the population owning 68% of the total area of land in the country (Lahiff 2007:1578). Black South Africans lived in poor conditions in the homelands where overcrowding and tenure insecurity were the norm. According to Lahiff (2007:1578), South Africa has one of the most unequal distributions of income in the world. Although South Africa had achieved democracy, the majority of the economic power and wealth remained in the hands of the few white people in the country. "Political apartheid may have ended, but economic apartheid lives on." (Atuahene 2011:121).

The agricultural industry in South Africa is characterised by a large-scale commercial sector and communal lands with small-scale farmers (Lahiff 2007:1578). Although 82% of the total surface area can be used for agricultural purposes, low rainfall in many parts of the country makes the land more suitable for grazing (Lahiff 2007:1578). This resulting scarcity of suitable land for crop farming, as well as a commercial sector that is dominated by white farmers producing fruit and meat products for exportation, greatly influences agrarian reform in South Africa. The commercial sector contributes significantly to the economy via increased employment and earnings from exports, which is one of the primary reasons for the limited state intervention in reforming land in a way that would eventually harm the economy. It appears that a major challenge facing the South African government is how to best address and remedy the issues of past injustices, and alleviating poverty in rural

areas without upsetting and destroying the well-developed agricultural sector of the economy.

Communal land is a prominent characteristic of rural South Africa. Apartheid affected communities in a detrimental way. In recent times it has been questioned as to whether communal ownership of land should exist at all (Kahn 2007:16). Historically, and culturally, the communal way of life has been dominant in Africa; however the issue of whether this fits into society today has been raised. By introducing the western titling system, colonialism abolished the majority of the communal lands that existed in South Africa. A unique challenge that South Africa faces in its land reform efforts is the cultural wall of traditions of the tribes that still exist in rural South Africa. According to the ILO Report on South Africa (*'Indigenous peoples of South Africa: Current trends'*) "the root cause hindering economic development and intergenerational cultural survival has been the forced dispossession of traditional land that once formed the basis of hunter-gatherer and pastoralist economies and identities" (ILO 1999:13). The effects of the dispossession of tribes from their lands have made natural resources inaccessible and thus pushed them into a state of poverty as they can no longer take care of themselves. The traditional tribal communities who wish to preserve their ancient way of life now have the right to claim back their lands. These lands that were agriculturally and economically productive are now returning to their original role of providing grounds for the hunter-gatherer communities who do not wish to run commercial farms nor to join the modern economy of the country. This has contributed toward the slowly diminishing agricultural sector of the economy seen today. It appears that the traditional subsistence economy does not align well with western economic practices and hence is not suitable for supporting and growing the agricultural sector. Solutions on combining economic development with cultural survival are crucial. Hence, government is faced with a further challenge of trying to converge both traditional and western systems of land ownership in a way that does not cause revolt.

Up until 2000 South Africa's main land reform policy was the 'Settlement/Land Acquisition Grant' (SLAG). The programme was somewhat successful in reaching the rural poor, however progress was slow and the majority of the recipients did not have the necessary skills to maintain the land which they received (Lahiff

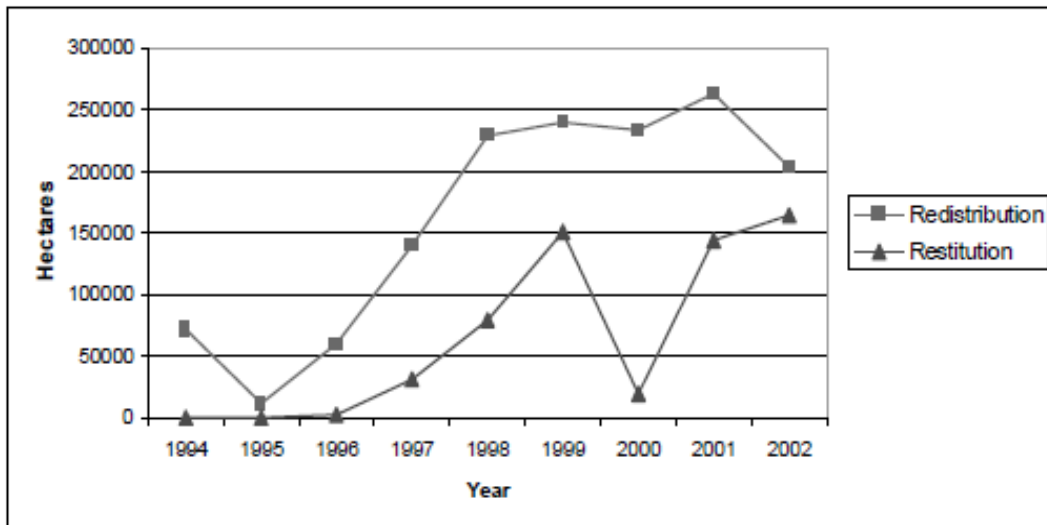
2007:1580). During the first five years of the implementation of land reform the focus of the programme was to reach the poorest of the rural populous. One of the criteria for qualifying applicants was that households had to have an income of less than R1500.00 per month (Sibanda 2001:7). A 'Quality of Life Report' was submitted in 1999 which claimed that the programme had successfully reached the rural poor; that agricultural production was taking place; and the beneficiaries of the programme had increased access to services as a result (Sibanda 2001:7). Unfortunately, the level of poverty in the country remained high, and although the programme positively impacted on the beneficiaries it had reached only a few households. Thus, the SLAG programme was removed and replaced by the 'Land Redistribution for Agricultural Development' (LRAD) in 2001. The new programme offers more loan financing and higher grants than SLAG, and incorporates the promotion of commercial farming. Hopes for the new programme were high and goals were ambitious to say the least.

Unfortunately results from the LRAD have not been much better, indicating that land reform in South Africa has not met set goals nor has it achieved its targets within the proposed time period. The initial target set was for 30% of commercial farmland to be redistributed to poor black farmers within a five year time period; however when the reality of the slow progress that had been made became evident the time period was then extended to 20 years. The set target of 30% of land to be reformed constitutes about 24.6 million hectares in totality (Walker 2001:16); which is to be redistributed over 20 years.

Figure 5.1 shows the progress of land reform between 1994 and 2002.

Figure 5.1

Land Transfers per Year via Land Reform (1994-2002) – South Africa



Source: Hall (2004)

Land transfers declined from 2001 to 2002 possibly due to a change in land reform policy from SLAG to LRAD. The rate of land reform was far too slow; if the revised target of 30% was to be reached by 2015 there would have to have been 2.15 million hectares of land transferred each year – which was clearly unrealistic when considering the rate of transfer at the time (Hall 2004:25). With regards to the impact of LRAD, Hall (2004:26) found that it was not possible to draw exact conclusions using the data due to the unreliable nature of record-keeping. Lahiff (2007:1581) estimated that even a 20 year period would not have been sufficient because land reform remained slow despite the new policy (only 4.1% of land had been reformed by 2006).

The commitment of government to reforming land should be visible in its attempts to increase budgets, staffing and support services. However, the planned budget for land reform between 2001 and 2003 actually declined; indicating a lack of commitment on the part of government (Walker 2001:16). This is reiterated by Kahn (2007:13) who points out that in 2005, only 1% of the national budget was allocated to land reform; indicating that this issue is not a high priority for the state. It was found that application processes are too complex and bureaucratic inefficiency is commonplace.

Consideration for the various forms of land reform in South Africa is given in Table 5.1(Lahiff 2007:1582), where the market-led approach (which falls under ‘Redistribution’) is partly responsible for the greatest area (43.8% of the total area transferred) of land reformed in the country up to 2006. Lahiff (2007:1582) emphasizes that measuring the exact magnitude of achievements is difficult and near impossible due to a lack of reporting detail by government offices and agents. According to Carter et al. (2011:4), a reason for the difficulty faced with the evaluation of the impact of the LRAD in South Africa is that it relies heavily on self-selection. Thus, if the poorest of people do not voluntarily make efforts to enter the programme they will in effect stand no chance of gaining from it. Although, theoretically, a redistribution of assets should be beneficial to those who require it; empirical evidence to prove this has often been fraught with problems or been very limited. A reason for this is that most experiences of large-scale reforms arise as a result of conflict (Carter et al. 2011:19).

Table 5.1

Total Land Transfers via Land Reform Programmes in South Africa (1994-2006)

Programme	Hectares redistributed	Contribution to total (%)
Redistribution	1 477 956	43.8
Restitution	1 007 247	29.9
State land Disposal	761 524	22.6
Tenure Reform	126 519	3.7
Total	3 373 246	100.0

Source: Lahiff (2007) – Data from *The Department of Land Affairs*

Liberals, conservatives and even some government agents tend to not be in favour of any radical approach to land reform due to fear of the consequences that would be borne by the agricultural market and the economy. However, it is acknowledged that political stability can be achieved by creating a more inclusive environment within the agricultural sector which would allow black rural farmers to participate in the sector (Lahiff 2007:1583).

To throw a spanner in the works, the *Landless People's Movement* (LPM) - an organisation much like Brazil's MST – was formed to speak up for the rights of the poor landless South Africans. LPM is affiliated to *Via Campesina* in Latin America; showing the growing support for the poor in developing nations. LPM is often found protesting around parliamentary buildings for what they believe government should be doing to help the landless in South Africa.

The single most prominent problem with the South African reform programme is that, upon settlement, beneficiaries are expected to maintain the farms that belonged to the white farmers at a similar level (Lahiff 2007:1590). This has proved to be the greatest area of failure because the new farmers are often too poor and under-skilled to achieve former levels of production, thus land which was once productive and economically active becomes run-down and underutilized. The lack of post-settlement support is very evident. Government encourages new farmers to seek funding from public and private organisations which does not always prove to be easy. According to Lahiff (2007:1590), various studies indicate that the new farmers encounter problems when attempting to access “credit, training, extension advice, transport and ploughing services, and veterinary services, as well as input and produce markets”.

Some other primary issues relating to the land reform programme that have been isolated are the failure to subdivide large pieces of land, and the unrealistic business plans that are drawn up for the new landowners (Lahiff 2007:1588). The failure to subdivide the land forces new landowners to accept the responsibility for the maintenance and production of land which is too large, and for which they do not have the capacity to maintain. New land owners become greatly burdened as a result. The second issue of unrealistic business plans refers to the plans that are drawn up by state agents to assist new farmers in the development and production stages. These ideas seem beneficial, but when implemented fall short of meeting realistic requirements (Lahiff 2007:1588). Often the inability to obtain funding and loans renders the plan unusable by the new farmers. In some cases where loans are administered, new farmers default on their loan payments while banks threaten to repossess their property (Lahiff 2007:1589). Thus, the cycle of tenure insecurity continues.

According to Johnston and Sender (2004:157) statistics and estimates of the number of poor rural households in South Africa are usually unreliable. However in 2004 it was calculated that there were approximately 1 million rural households that were chronically poor (out of the 3.3 million rural households in the country). Thus, by 2004 (ten years after democracy was established), the poorest of the poor still had not benefitted from the land reform programmes. Further evidence indicates that of those who did benefit from the programmes, the majority formed part of the wealthier rural households (Johnston and Sender 2004:157).

Turning to the World Bank for evidence of poverty alleviation proved to be unhelpful. The bank did not have evidence on this account (Johnston and Sender 2004:158). No results had been reported with regard to the creation of employment on the new farms, making it unclear as to whether the change of ownership is contributing toward increasing wage employment opportunities (Johnston and Sender 2007:158). In addition, since 1994 when land reform began to take shape focusing on the rural poor as its target, existing wealthy landowners began shedding employees out of fear that they would lose control of their land, resulting in great losses to the rural wage earning sector (Johnston and Sender 2007:158). Overall Johnston and Sender conclude that “redistributive land reform in South Africa has had adverse effects on the standard of living of very large numbers of the poorest rural people”.

Most rural black people find themselves still confined to the homelands due to a lack of alternate options. The homelands remain overcrowded and only a small portion of the land is suitable for agricultural production (Cousins and Lahiff 2005:128). According to previous literature, about 50% of rural households have access to arable land, however each individual holding is very small, ranging from 0.5 to 1.5 hectares (Cousins and Lahiff 2005:128). It was found that many of the residents of these rural areas are wage-employed or receiving some form of a grant as income. While income from agricultural activities contributes to a small proportion of the total household income; it is a crucial part of household survival (Cousins and Lahiff 2005:128).

The limited number of studies that have been conducted indicate that the proportion of poor landless people that are being reached by the programme are predominantly literate males over 40 years of age; and, increasingly, that they “are those with

access to wage income (including pensions), rather than the unemployed, and have relatively good access to information” (Lahiff 2007:1587). In addition, the nature of self-selection into the programme has resulted in the exclusion of the poorest and most marginalised groups. According to Cousins and Lahiff (2005:129), in general land reform has not changed the pattern of land ownership in South Africa, nor has it improved levels of poverty in the country. It appears that the combination of the market-based approach to land reform together with neoliberal policies is not the best way to achieve a significant asset shift toward the rural poor or to revive the rural economy (Cousins and Lahiff 2005:131).

According to Atuahene (2011:121), by 2010 a total of 8% of the land had been reformed – still nowhere near the target of 30%. It was estimated in 2011 that an alarming 77% of land in the country was owned by white people, who make up less than 10% of the population (Atuahene 2011:127). President Zuma has made land reform and rural development one of the top priorities of the ANC, which he declared in a speech in 2011. However, this is yet to be seen. Funds have run low and the state has not been able to meet the sale agreements entered into with landowners (Atuahene 2011:123). Consequently, many landowners have sued the commission for not following through with the sales agreements (Atuahene 2011:124). This has created the notion that perhaps the ANC is not serious about land reform; hesitant to upset the ‘agricultural apple-cart’. It is possible that if the ANC were to adopt a more aggressive approach than the market-led policy, this would have detrimental effects on the markets and alienate investors. This fear has kept land reform policy conservative and slow.

Furthermore, the government does not provide adequate support to new landowners post-transfer. New landowners are in dire need of “financial and technical support to access markets, credit, technology, infrastructure, and training” (Atuahene 2011:125). Studies performed by the “Program for Land and Agrarian Studies at the University of the Western Cape” found that new landowners are not even provided with the basic utilities such as electricity and tools for irrigation (Atuahene 2011:125). Once again the issue of subdivision prevails. The state transfers large areas of land to newly settled owners who do not have the resources to effectively produce and

maintain the land; and so the agricultural sector suffers together with the new landowners who have to carry the burden of debt.

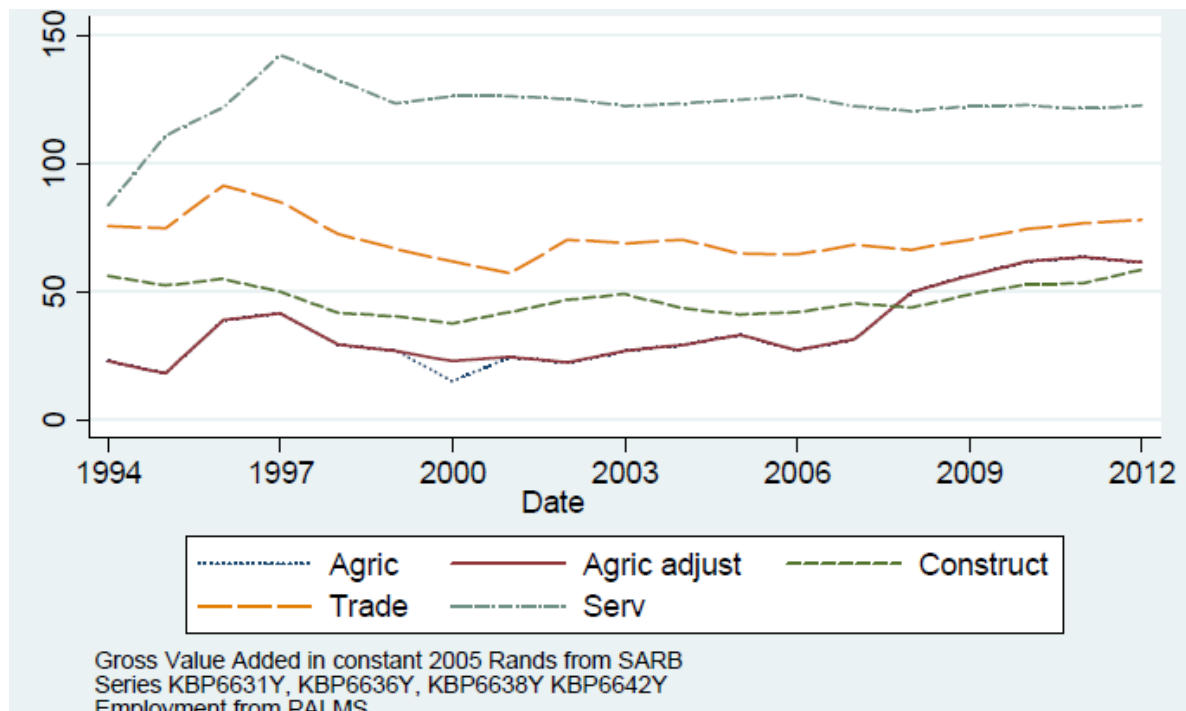
Although South Africa has developed an advanced agricultural industry which relies heavily on the exportation of high-value goods (such as meat and fruit), agriculture is not a major contributor to the country's GDP – about 4% of GDP according to Kahn (2007:2). Statistics published by the World Wildlife Federation (WWF-SA) indicate that in 2008 the contribution of agriculture to GDP was only 2.5%; showing a great decline. Figure 5.2 (Wittenberg 2014) is a depiction of the movement of labour productivity by sector based on gross value added per worker. Agricultural productivity rose before 1997, dropped thereafter and remained somewhat constant with little fluctuation until 2012.

However, both WWF-SA and Kahn (2007) highlight the importance of agriculture in providing employment and in enabling a channel for foreign exchange income. The agricultural sector accounts for approximately 10% of employment in the country (Kahn 2007:2). Thus, a blow to the agricultural sector could significantly impact employment levels in an adverse way. Government's interest in upholding the agribusiness industry is warranted on this account, however this does not mean that the market-based approach is the best solution here.

Post-Apartheid employment patterns and statistics shed some light on the distribution of employment and earnings among wage-workers in South Africa by race and sector. Figure 5.3 shows that a large portion of the low-skilled wage workers in South Africa were employed within the agricultural sector, however this appears to have declined significantly since 1994. Wittenberg (2014) offers a possible reason for this in that perhaps the decline is not real but is likely to have arisen from skewed sampling. However other possibilities do exist as various factors influencing employment within agriculture changed during the Post-Apartheid years. The overall drop in agricultural productivity may very well have contributed toward a drop in employment, perhaps not as significantly as is depicted in Figure 5.3.

Figure 5.2

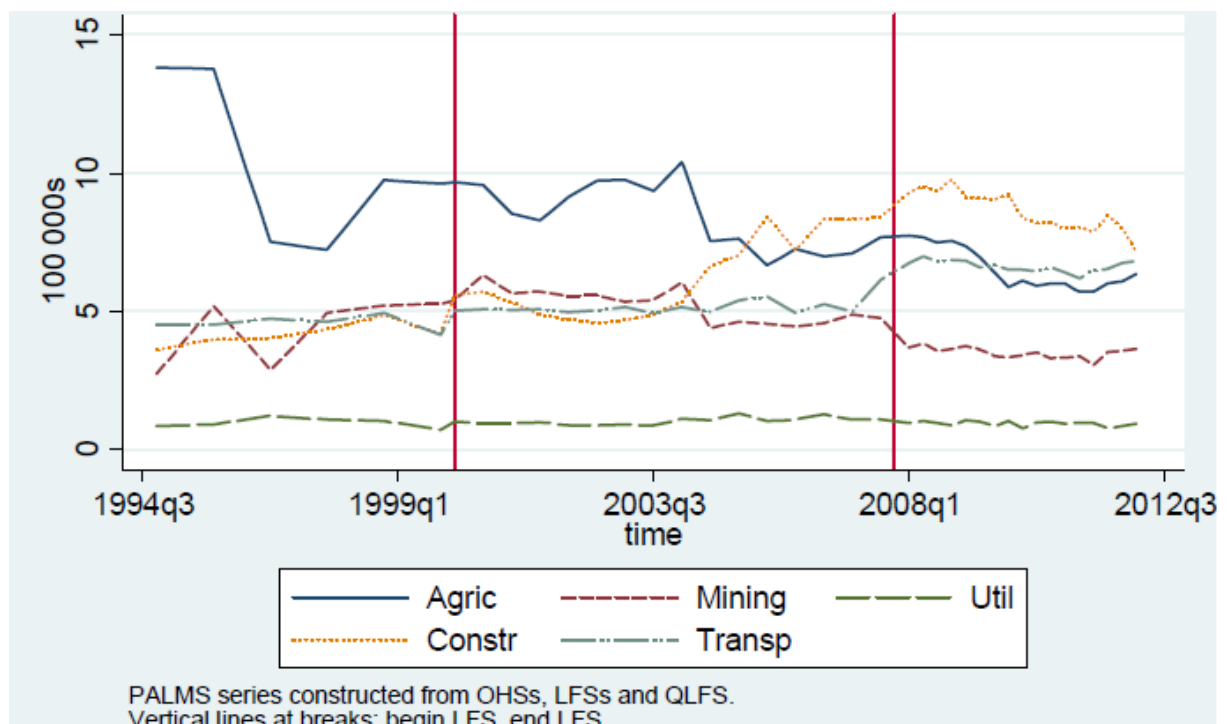
Labour Productivity Gross Value Added per Worker (Rands '000s/ worker)



Source: Wittenberg, 2014.

Figure 5.3

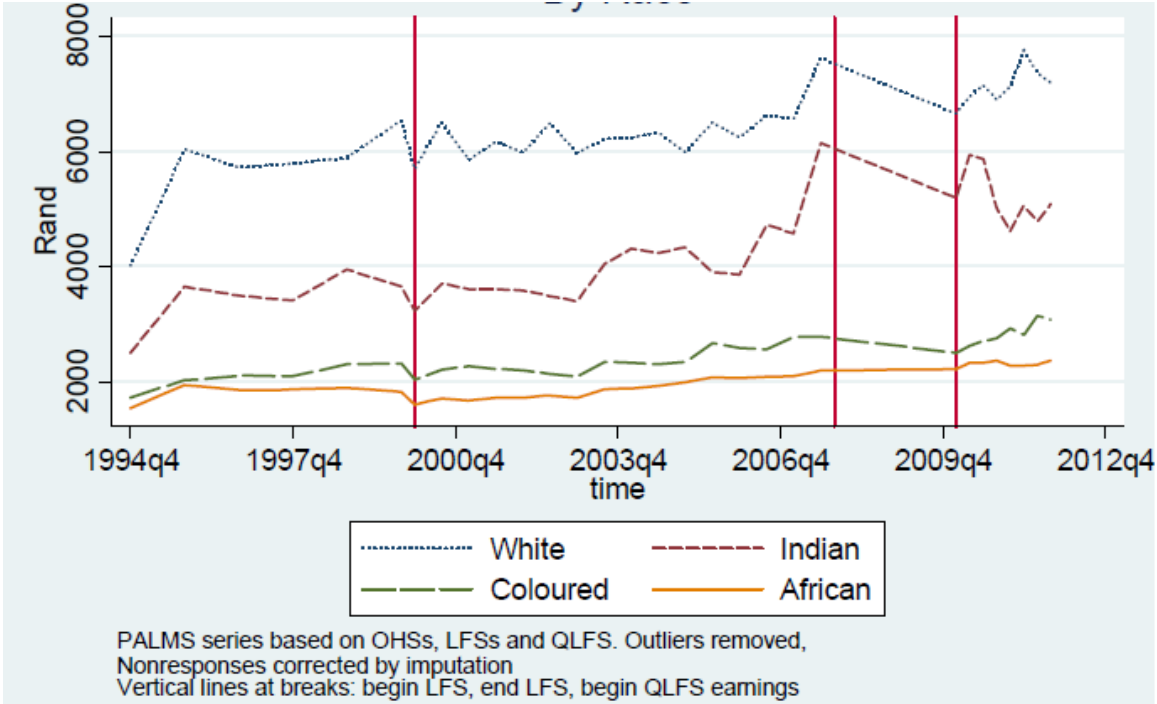
Total Employment by Sector (Post-Apartheid)



Source: Wittenberg, 2014.

According to Wittenburg (2014) real earnings by race in 1994 showed great discrepancies between white workers and native African workers, with white workers being at the top of the racial earnings scale and African workers at the bottom. The study revealed that this trend persisted over the succeeding years to 2012. Sectoral analysis showed that of the wage earners in the various sectors of the economy, workers in the agricultural sector appeared to have been among the lowest earnings on the sector-earnings scale. Wiitenberg (2014) found that the earnings of agricultural sector workers have increased since 1994, albeit minimally. What is interesting to note is the major decline in earnings of self-employed agricultural workers, which Wittenburg (2014) attributes to an overrepresentation of the white farmers from the formal farming sector in surveys conducted during the early years. It is difficult to isolate the real reason behind this drop, nevertheless it still stands that the gap between the earnings of white wage earners and native African wage earners is significant as seen in Figure 5.4. This fact provides reason enough for government to intervene; the method of intervention used by government is the primary issue at hand.

Figure 5.4
Real Earnings of Wage-Workers by Race



Source: Wittenburg, 2014.

The LRAD programme offered by government is thought to be attractive to landowners because it offers them payment in cash prices. However, many landowners who have engaged in the programme complain of delays in payment that can last up to 4 years (Lahiff 2007:1586). Another problem related to pricing is that price-setting tends to occur via bureaucratic procedures, and so the workings of the actual property market are excluded from the process; essentially abandoning the 'market-assisted' orientation (Lahiff 2007:1586). The government's reasoning for the adoption of the market-assisted approach to land reform is that the system ensures that efficiency is maintained and improved, while also maintaining investor confidence (Kahn 2007:9). However, according to the WWF-SA, these actions have cost the country as the number of farmers has actually declined by 31% from 1993 to 2008; with the production of staples such as wheat, maize and dairy declining the most. This has resulted in increased food insecurity among the rural poor. The WWF-SA also finds that not only has land reform to reach the poor been very slow, but it has had a failure rate of 90% and led to the reduction of certain produce (WWF 2009:19).

An example of a form of land redistribution is given by a Western Cape Farmer who provided land as an incentive for his workers to work harder and make his wine a success (Kahn 2007:26). When his wine was awarded for being the best wine in South Africa, he gifted his workers with 11 hectares of farmland for 16 families. The families pooled their resources to produce wine of their own that they could sell in the market. They had the necessary skills to do so; resulting in some success during the initial stages. However, they found that running their own farms and marketing themselves was too difficult. Breaking into the industry was also not easy. They eventually requested that the farmer reincorporate the land; they had failed to follow through with the initial plan (Kahn 2007:26). This serves as a very simplistic example of land reform (although performed privately). It shows that it is not enough to simply hand over land to the rural poor and expect them to live happily ever after without consideration for skills and capital requirements.

The transfer of ownership of land from wealthy white farmers to poor rural black families does not suffice as land reform; reform should be accompanied by post-settlement assistance involving assistance to access funding to run farming activities

and to maintain the land at an acceptable level of productivity – however this proves to be a difficult and expensive task to perform.

A project by an organization called *FARM-Africa*, which was carried out over a period of four years, surveyed resettled communities in the Northern Cape province (Kahn 2007:13). It was found that the majority of beneficiaries are living in poverty and depend highly on grants for income due to low agricultural production levels (Kahn 2007:13).

Land reform in South Africa is not sufficiently reaching the lives of the poor, which is one of its primary roles as a policy intervention. Instead the policy appears to protect the interests of already wealthy individuals causing the existing gap between rich and poor to grow. Kahn (2007:23) emphasizes this point using the findings of a study conducted by the *Human Sciences Research Council*:

“New estimates of poverty show that the proportion of people living in poverty in South Africa has not changed significantly between 1996 and 2001. However, those households living in poverty have sunk deeper into poverty and the gap between rich and poor has widened... The poverty gap has grown faster than the economy indicating that poor households have not shared in the benefits of economic growth (Human Sciences Resource Council, 2004).”

This startling fact is seen by looking at the Gini coefficient. South Africa is reported to have one of the highest Gini coefficients in the world. In 2009 the World Bank estimated South Africa’s Gini coefficient at 0.63, which then rose to 0.7 around 2013 according to an OECD Economic Survey on South Africa (2013). The Gini coefficient does not compare well in that it is also higher than the world average of 0.62 (OECD 2013:18). It appears as though the gap between rich and poor really is growing. Nevertheless, it was found that inequality in income has improved compared to its position during Apartheid, with an estimated 40% of the total improvement owing mainly to redistributive policies and social grants, with the total improvement being the result of numerous changes within the country since democracy was achieved (OECD 2013:18). Other poverty statistics are found in a study on poverty and inequality conducted by Leibbrandt et al (2010). According to results of the study (Table 5.2) poverty incidence varies between urban and rural regions.

Table 5.2**Individual level poverty by geotype (Poverty line R515 per capita per month)**

	Population			Head count			Poverty share		
	1993	2000	2008	1993	2000	2008	1993	2000	2008
Rural	0.51	0.45	0.40	0.77	0.74	0.77	0.70	0.62	0.57
Urban	0.49	0.55	0.60	0.34	0.37	0.39	0.30	0.38	0.43

Source: Own calculations using data from SALDRU 1993, IES 2000 and NIDS 2008 data sets

Source: Leibbrandt et al (2010)

We can see here that poverty in rural areas has declined from 1993 to 2008, which concurs with the findings of the OECD (previously discussed), however there is also a clear demographic shift in population from rural to urban areas. The complication of urbanisation introduces a different challenge to the way in which these results can be interpreted. It is unclear as how much of this decline in poverty in the rural areas is as a result of redistributive policies and how much is due to a decline in the actual population.

The issue of wealth inequality prevalent in South Africa can be better understood by comparing the Gini coefficients of the various racial and demographic groups in the country. Leibbrandt et al (2010) found that the overall Gini coefficient in the country increased from 1993 to 2008, however the story for every population group varies.

Table 5.3**Gini coefficients for per capita income by race and geotype**

	1993	2000	2008
African	0.54	0.60	0.62
Coloured	0.44	0.53	0.54
Asian/Indian	0.47	0.51	0.61
White	0.43	0.47	0.50
Rural	0.58	0.62	0.56
Urban	0.61	0.64	0.67
Overall	0.66	0.68	0.70

Source: Leibbrandt et al (2010)

Table 5.3 shows that while the Gini coefficients across all race groups increase from 1993 to 2008, the extent of the increases varied. Income inequality among native

African people rose from 0.54 in 1993 to 0.62 in 2008, which is slightly more of increase than the increase among white people. It is interesting to note that the rural income inequality actually decreased from 1993 to 2008 indicating that perhaps redistributive programmes have had some positive effects on these regions or that urbanisation may have had a hand in it, unfortunately we are unable to pinpoint the exact reasons behind the change. Urban income inequality rose from 0.61 in 1993 to 0.67 in 2008, possibly owing to urbanisation. The country's overall income inequality increased from 1993 to 2008 under democratic rule, which may be cause for concern. Whilst still unable to identify the effects of each factor contributing to increased income inequality, a deeper analysis and understanding is difficult to achieve. It is a much simpler task to reduce poverty via social grants and reform programmes, however inequality can only be addressed by delving into complex and deeply-rooted issues of shifts in education, employment and skills

The process of developing land (post-transfer) appears to be the greatest issue arising out of land reform programmes. The *Cape Land Committee* has complained that accessing funds and grants is a major hurdle. Often the time taken to attain the grants is far too long and during this waiting period the land wastes away and dies (Kahn 2007:22). The issue of a lack of post-settlement support is not the only problem met on completion of transfers. Even if new landowners begin farming, they enter the industry that is highly competitive with local established farmers and international corporations, making success very difficult indeed (Kahn 2007:25).

The market-led approach claims that it has significant positive effects on the alleviation of poverty and on equity; unfortunately the evidence that is available does not fully support this. Lahiff (2007:1591) finds that very little land has been reformed and goals are nowhere near the point of attainment. Furthermore, market workings tend to be abandoned during negotiations of land prices resulting in land being purchased for higher prices than the market would normally fetch. The resultant effect is that landowners' interests remain protected and the idea of small family farms falls by the wayside. It appears that the majority of researchers share a similar opinion; that due to the slow rate of implementation, the inability to reach the poorest of people and to achieve its targets, the LRAD programme is not proving to be an effective tool in the redistribution of land and in the alleviation of poverty.

The questions posed earlier may be answered to some extent as the evidence shows that:

- 1) Land reform has not yet achieved the objectives set out.
- 2) The reform of land to date has contributed in some way to the wastage of resources and to reduced agricultural productivity.

Both Brazil and South Africa are currently implementing 'market-assisted' land reforms, and both countries are facing and having to deal with many challenges in the process. The lack of clarity in the reform policy of Brazil and the disjointed reform programme of South Africa leave room for skepticism and investigation. The present-day issues are characterized by differing land ownership patterns found in the two countries; which is evident in the succeeding analysis.

Chapter 6 Land Land everywhere, but no place to live

“Sure, cried the tenant men, but it's our land. We measured it and broke it up. We were born on it, and we got killed on it, died on it. Even if it's no good, it's still ours. That's what makes it ours-being born on it, working it, dying on it.”

- John Steinbeck, *The Grapes of Wrath*

The primary policies in Brazil and South Africa are categorized within the market-assisted approach to land reform. Therefore, the state does not take complete control of the transactions and transfers associated with the redistribution of land; rather, the state enables the process while the transacting parties negotiate in order to reach an agreement. As will be pointed out further on in this chapter, this system is not always efficient and the outcomes do not always align with expectations. There are various reasons for the resulting inefficiencies, reasons that are often peculiar to the specific country in question. Hence, this chapter serves as a comparison of the performance of land reform policy implementation in Brazil and South Africa.

6.1 Results: Brazil vs South Africa

What is there to be learned from the experiences of land reform in Brazil and South Africa? Several lessons... The historical background has shaped society in both countries in such a distinct manner; seeming almost ingrained in an irreversible way. Poverty and inequality go hand in hand; creating a perfect opportunity for redistributive tools to make a difference. Why then is land reform not shining through to be all that theorists have claimed it would be? Perhaps it is not the ‘Holy Grail’ it is made out to be.

Intended beneficiaries in both Brazil and South Africa are facing similar challenges of a lack of post-settlement support in the form of funding, education and skills training. However, somewhat of a saving grace for Brazil's landless is that although market-based reform is the primary policy used, the government still engages in significant state-led reforms to more aggressively address the needs of the poor. Conversely, in South Africa the market-led approach is the most relied upon method of land reform, resulting in the needs of the poorest of the poor not being met. In addition to this, the agricultural sector has diminished somewhat in South Africa due to failed land

transfers and the fears of existing landowners' that they may lose control of their land. Fortunately for Brazil its agricultural sector has not suffered much – instead it has in most cases flourished due to strong liberalised trade policies and technological advancements.

The vast difference in agricultural area between Brazil and South Africa can be seen in Figure 6.1 constructed using data provided by the Food and Agriculture Organization Corporate Statistical Database (FAOSTAT).

Figure 6.1
Agricultural Area (1992-2013) – Brazil vs South Africa

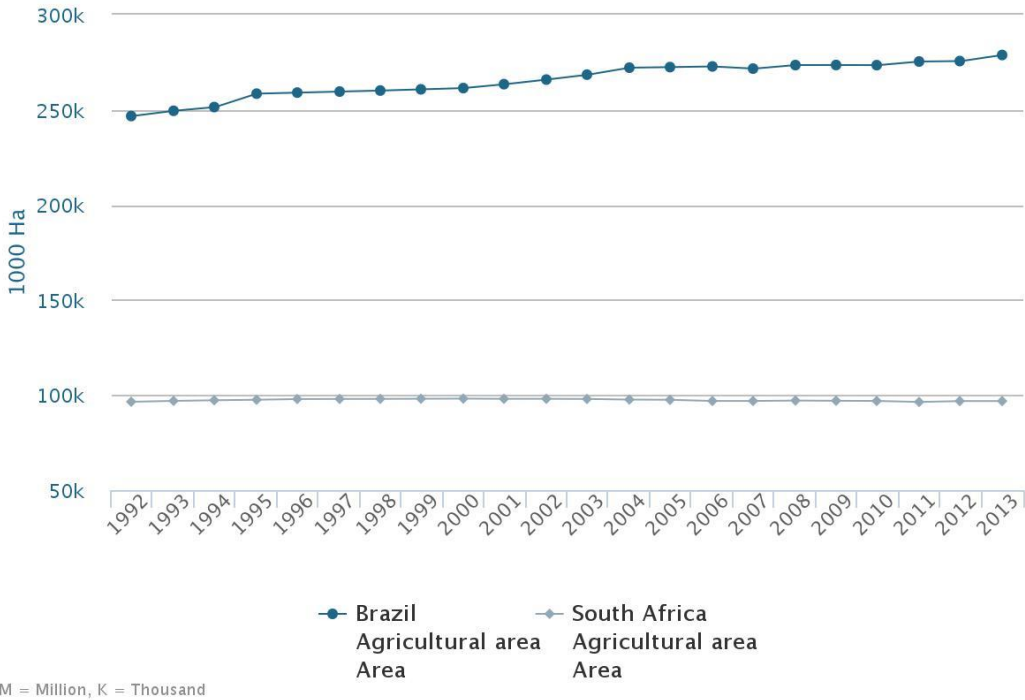


Figure 6.1: FAOSTAT (2016).

The major difference in total agricultural area is a function of the proportional difference in the total land areas of the two countries, with South Africa being roughly an eighth of the size of Brazil. This difference in total land area is not a material concern in this discussion, what is of material significance is the difference in the trends exhibited by the two curves.

The curve for Brazil shows that there appears to be a steady incline in the total agricultural area in the country, albeit a gradual incline. This could be a contributing factor to the growth within the agricultural sector. However, even with the increase in agricultural area, the average peasant worker remains landless and repressed. It may be possible to infer that the expansions to the agricultural area are either being handed over to small communities of farmers, or are owned by the large landowners, in which case would result in a greater inequality and poverty gap. However this is inconclusive as further studies would need to be conducted to establish the precise contributing factors to growth.

Contrasting this with the curve for South Africa, it can be seen from the relatively shallow gradient that the agricultural area in South Africa has remained somewhat constant over the 11 year period. There is a very slight incline between 1995 and 2001, after which it begins to decline minimally to rest at a constant level just below 100 000 hectares. This rise between 1995 and 2001 is in line with the newly elected government and legislation that was passed at the time, and hence the end of the Apartheid era. The increase in agricultural area is then associated with the initiation of the first land reform programme that was introduced at the time as well as any other land transfers related to the transformation toward a democratic state. The constant level of agricultural area acts as some indication that the growth of the agricultural sector itself would most likely be stagnant or declining, as was discussed in Chapter 5. Considering the annual percentage change in agricultural area may shed more light on the growth patterns of the agricultural sectors of both countries.

Figure 6.2 (FAOSTAT) compares the annual percentage growth in agricultural area of Brazil and South Africa. It is clear to see the diminishing yearly growth rate in South Africa, while most years saw positive growth changes in Brazil; evidence of the declining agricultural activity in South Africa compared to the flourishing agribusiness industry in Brazil. This trend of decline in agricultural productivity is similar in the employment of labour in the agricultural sector of the economy, seen in Figure 6.3.

Figure 6.2
Annual % Change in Agricultural Area (1992-2011) – Brazil vs South Africa

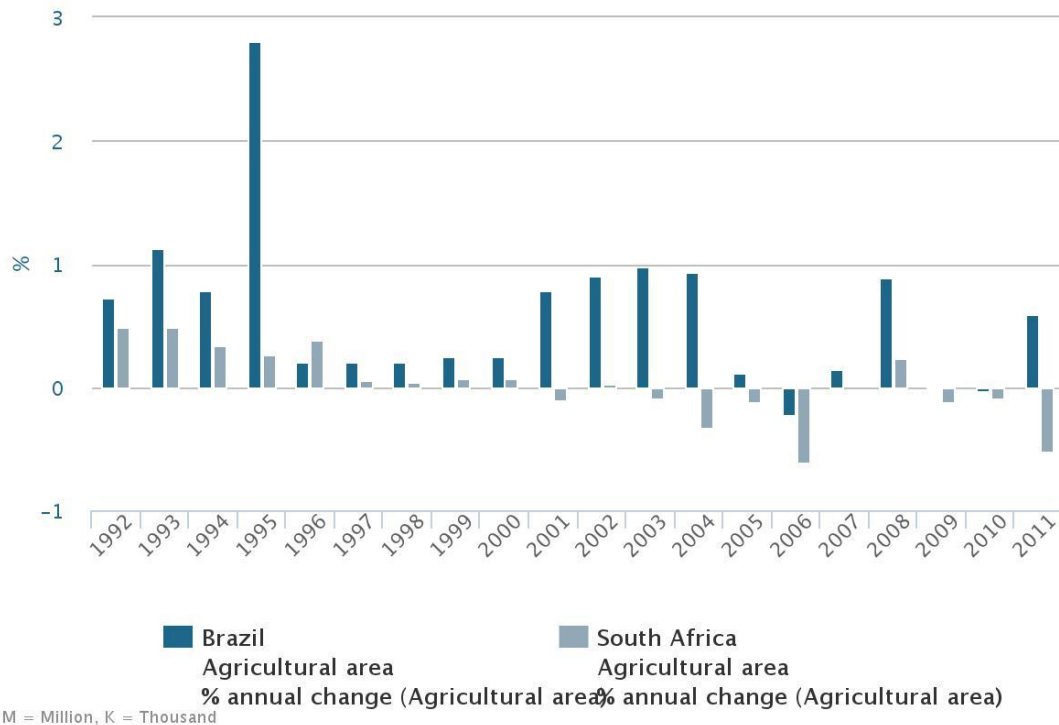
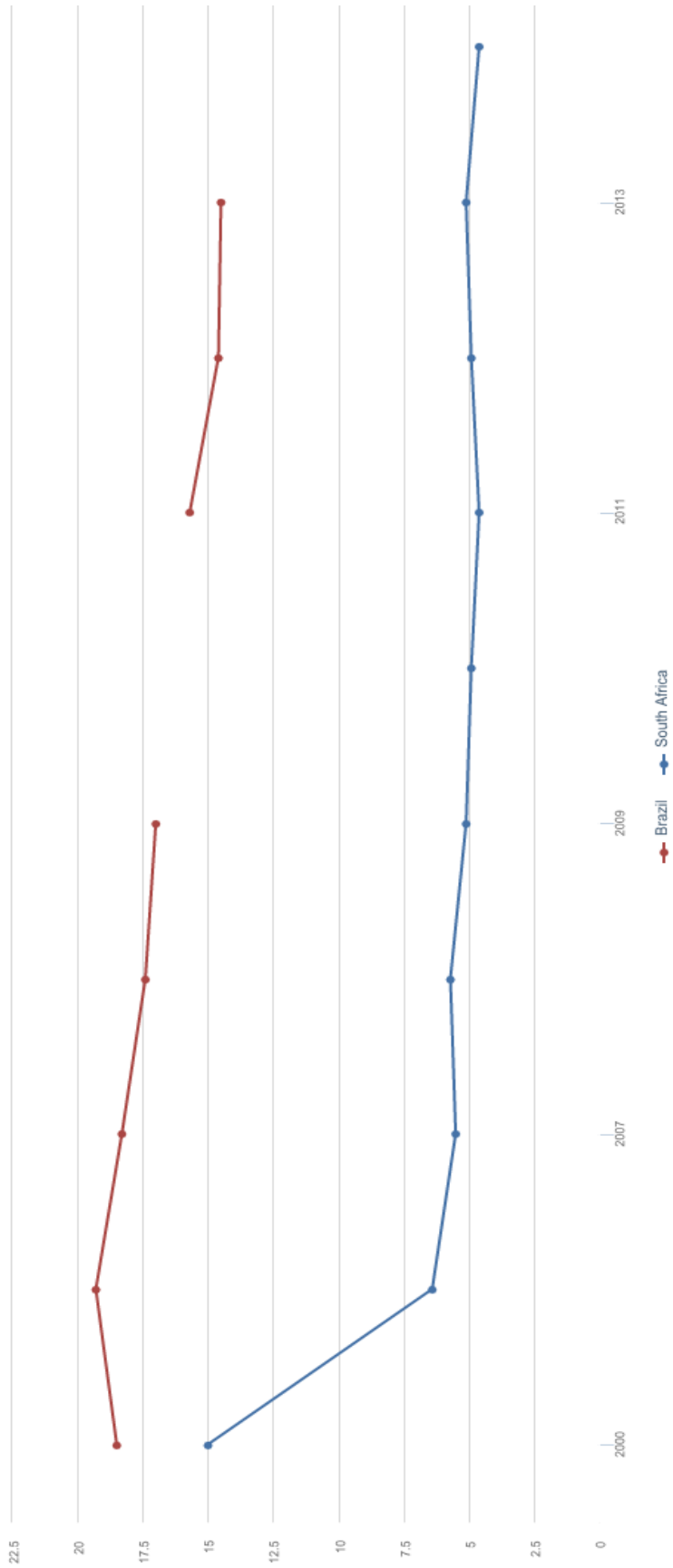


Figure 6.2: FAOSTAT (2016).

The period from 2000 to 2007 saw a massive drop in employment within the agricultural sector of South Africa, of more than 50% (World Bank Data). The major losses in rural jobs, together with the diminishing agricultural sector leads to worsening of food security, malnourishment and lower living standards. Brazil also exhibits a decreasing trend which may be largely due to the technological enhancements made to the farming industry, but with a much more gradual decline in agricultural sector employment (Figure 6.3 using World Bank Data). Hence, Brazil faces a less severe shock to the economy than does South Africa. Although land redistribution is one of many factors affecting the agricultural industry, one would expect that the intended positive outcomes from the land reform programmes would be noticeable; but rather the outcomes appear to be more negative resulting in declining productivity (discussed in Chapter 5). Once again reiterating the inability to achieve the objectives of the reform programme and the adverse side-effects on agricultural productivity.

Figure 6.3
Employment in Agriculture (% of total employment) – Brazil vs South Africa



Source:
 The World Bank,
 2016

Series : Employment in agriculture (% of total employment)
 Source: World Development Indicators

On the flip side of the coin, there have been some reports of positive results from land reform programmes, particularly from the Philippines. Proponents of land reform may use such cases where land reform has been successful to support their cause. According to Borras (2001:546), “The Philippines provides a useful case study because it is among the few countries today where redistributive land reform is being implemented with a significant degree of success”.

The ‘Comprehensive Agrarian Reform Programme’ (CARP) was initially implemented in 1988, after which the results were only really evident from about 1999 onwards (Borras 2001). In 1999 the total population of the poor could be broken down into a third urban and two thirds rural (Borras 2001). This, among other factors, was one of the major drivers in support of policy intervention to redistribute land. The agricultural sector in the Philippines plays a significant role in employment within the country, and contributes a fair share toward GDP (Borras 2001).

The call for a land reform programme, like in Brazil and South Africa, resulted out of the need to achieve a more equal distribution of land and thus assist in alleviating poverty, while also maintaining the agricultural sector that is a major source of employment in the country. Unfortunately, there have been marked differences in the outcomes of the implemented programmes, and according to Borras (2001), the literature available is not able to fully explain what has aided in the Philippines’ unexpected positive outcomes, when many were pessimistic about the CARP programme in the initial stages. Table 6.1 provides a comparative view of the results of various land reform programmes implemented across several countries, where results from the Philippines and South Africa (highlighted) may be compared:

Table 6.1 Land Reform Results from Selected Countries

Country	Years	Redistributed v-a-v Total Farmland	Beneficiary v-a-v Total Farm HHs	Sources
Philippines	1988–99	42	42	Farmland = based on 11.28 million ha total farmland (1999 data); Households = based on 4.96 total agricultural households (1999 data). <i>Source:</i> FAOSTAT Agriculture Data ¹⁰
Cuba	Since 1959	80	75	Kay (1998: 11–12)
Bolivia	1952–77	74.5	83.4	Thiesenhusen (1989: 10–11)
Chile	1964–73	Nearly 50	20	Kay (1998: 11–12)
Peru	1963–1976	42.4	32	De Janvry (1981: 206)
Mexico	1970 data	42.9	43.4	Thiesenhusen (1989: 10–11)
Ecuador	1964–85	34.2	No data	Zevallos (1989: 52)
El Salvador	From 1980 through 1990s	20	12	Paige (1996: 136)
Venezuela	Up to 1979	19.3	25.4	Paige (1996); Dorner (1992: 48)
Costa Rica	1961–1979	7.1	13.5	Paige (1996: 136)
South Africa	1995–2000	1.65	2.0	SA Dept of Land Affairs (2000)

Source: Borras (2001)

By the end of 1999 the Philippines had redistributed roughly 42% of the total agrarian land in the country, having a positive effect on approximately 42% of the total population of rural households (Borras 2001). In contrast, at the end of 2000, South Africa had only achieved a redistribution of 1.65% of the total agricultural land, reaching only 2% of the rural poor (Borras 2001). Although the time periods of implementation vary for these two countries, the results are still markedly different.

It is, however important to note that CARP does not comply with the World Bank's market-assisted approach to land reform, hence the programme tends to differ from those implemented in Brazil and South Africa. Nevertheless the overall goals and processes are similar, and thus should generally have similar outcomes if implemented correctly. This has not been the case. For those who support land reform, what is necessary to consider is not merely the needs of the country, but many other factors such as cultures, traditions of the natives, legacy influences on legal and economic structures of the country in question; to name a few. It is not sufficient to apply similar rules to countries with similar needs with the expectation

that these will all produce similar expected sets of positive results, while ignoring the unique characteristics of the country and its people. One may draw an analogy between countries with the need for wealth redistribution and sick patients. It is not best practice to simply prescribe the same treatment to all patients who need to be cured of illness; one would need to assess the cause of the illness, diagnose the type of illness and then prescribe the best treatment to cure that specific illness. The same can be said for countries requiring redistributive policies. Policy should be directed at addressing the needs of a country, while accounting for all unique influencing factors within that country.

Although the South African agricultural industry has not made strides as great as Brazil's, it would appear that the concentration of land in South Africa is less extreme than that of Brazil. The analysis implies that the Brazilian government has a more urgent need to address the unequal ownership patterns than does the South African government due to differences in severity of the problem (being that it is more severe in Brazil according to statistics (as found in Ch.4 and Ch.6).

The idealistic land reform programme that redistributes substantial plots of land and supposedly provides sufficient post-settlement support to new landowners who do not possess the skills capacity or the capital to enter the agricultural industry is nothing but that – idealistic. This system is unlikely to emerge and create a lasting impression, and may very well be more destructive than it is useful in that while not achieving social justice goals it creates increased costs through losses in output and employment. One way such a system can achieve the above is if some kind of political shift were to take place prompted by the mobilisation of the rural poor into challenging the protected interests of the wealthy landowners and by forcing the state to intervene.

For a government that is strongly against state intervention; a more inexpensive alternative would be for the government to terminate the idea of redistributing land of the established agribusiness industry; and possibly consider transferring land to rural communities that can be used for subsistence purposes. In this way, the lives of the

rural poor can improve and the agribusiness sector need not suffer (Atuahene 2011:126). However, when the masses of a country are living in poverty, enabling subsistence farming would directly impact the land available for the agri-business sector, thus also influencing the economy. The unrealistic approach of transferring agri-business farms to the rural poor appears to be a castle in the sky; it is time the state looked for new solutions.

Cash alternatives are another solution to alleviating poverty and redistributing income. Comparing this option to the redistribution of assets; it is easy to see that latter is far more complex and is often only effective for a specific group of individuals with the required resource match for the asset. It is evident that “not everyone can be a successful small-scale farmer” (Carter et al. 2011:1), let alone becoming a profitable commercial large-scale farmer. It has been found that cash transfers have the additional benefit of a ‘spill-over effect’ in poor households toward investments in children and education; an effect which is yet to be seen in most cases land redistribution programmes. According to Carter et al. (2011), there exists room for experimentation with transfer initiatives. Due to the great extent of income inequality and rural poverty in Brazil and South Africa, it is of utmost importance that new models and alternate solutions be explored that would better meet the needs of the most marginalised and poorest groups, while protecting future economic growth within the countries.

Chapter 7 The Path Less Travelled

“The ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people.”

-Henry George, Progress and Poverty

In most instances described the market-assisted approach to land reform in Brazil and in South Africa have proven to be ineffective and somewhat detrimental to both the rural poor and to the agricultural sector of the economy. Researchers, academics, economists and policy-makers seem to be in agreement that alternate solutions should be considered to address the issue of inequality without damaging the agribusiness and agricultural industries. Several variations of land reform have been proposed and considered. Improvements to policies and policy tools also feature as recommendations. Examples of possible alternate schools of thought, which could offer more effective shorter term improvements, are the Institutional approach and short to medium term solution of a ‘tax reform’ on land.

7.1 Alternate Angles

Naturally, landowners and certain governmental forces of countries in which land reform is an issue are against any kind of radical land reform. Those with vested interests in land and in the agri-business sector suggest that the needs of the poor be met through integration into the industrial and urban sectors of the economy, rather than through land redistribution (Lahiff 2007:1583). Those leaning toward a more radical approach favour the direct intervention from the state to forcibly remove land from the ‘grip’ of the landowners and return the land to the poor. However, such an approach could have detrimental effects on the economy and particularly on international investor relations.

Others argue that, especially in the South African case, emphasis should be placed on the promotion of small-scale family farms because existing large-scale

commercial farms tend to be inefficient (Lahiff 2007:1583), but this belief of inefficiency may be due to various factors such as underutilisation of land or labour – this does not offer sufficient reasoning for scaling down on farm size. Proponents of small-scale farming propose that land reform policy be restructured to focus on the development of family farming. However, it can be argued that if the agricultural sector was to be restructured to form smaller subsistence holdings the economic gains from the economies of scale derived from large farmlands will be forgone. One must ask if scaling down is the best decision for the economy of the country? Would a country like the United States benefit from breaking up its large agri-landholdings when it currently holds the number one position in the world for the production of exported agri-foods? The answer is no. The success of the agricultural sector of the mixed economy rests on the benefits that can be derived from highly-skilled and trained labour; a strong culture of entrepreneurship; technological advancement; economies of scope and of scale; and a ‘think global’ strategy that will allow for improved trade. By enabling the growth of the economy, the living standards of the general population will also improve in the long-run.

It does not suffice to simply consider short-term ‘fixes’ while neglecting the long-term implications. While land reform may be the more ethical and morally sound solution to achieving equality in land ownership, it is not the best tool for the growth of a country’s economy. Land reform would be efficient under the conditions in which the recipients are highly skilled and educated to know how to manage and maintain the land; are able to access sufficient funding to finance operations; and who will continue to contribute to the economy to ensure long-term growth of the country. These conditions are yet to be fulfilled in Brazil and South Africa, so why then is land reform persisting while the poor suffer and the agricultural sector shrinks.

Another option to consider is a type of reform less radical than land reform is that of ‘tenancy reform’. The aim is not to alter the pattern of land ownership, but rather to improve and increase the rights held by tenants (Banerjee 1999:15). A tenancy reform policy might involve setting limits to the amount of rent (or share of the crop) that the landowner can demand from the tenant, and can incorporate protective laws

which ensure that landowners may not unfairly evict tenants. An effect of conducting a tenancy reform is that it alters the imbalance of power between the landowner and the tenant. Under the reform policy the tenant would be given the option to hold out for the share of the earnings/produce which the reform policy guarantees (Banerjee 1999:15). In this way the tenant becomes expensive to the landowner, and the landowner must make a comparable offer to the tenant. This type of reform provides the tenant with higher incentives and greater productivity (Banerjee 1999:15). Another effect of this reform is the resultant long-term stake that the tenant has in the land due to the restriction on evictions. Since these increased rights cannot be traded, the future of the tenant's family remains somewhat tied to the land; thus providing some level of security. With regards to productivity, tenancy reform may not always have a positive effect on it. However, even if productivity does not increase, living standards and poverty do improve (Banerjee 1999:16). While rural wage-earners are still a key part of the economy of South Africa and Brazil, a tenancy reform could provide a less complex solution that can be more easily administered and thus reach more families faster. It is unclear as to whether tenancy reforms can be used to substitute for land reform; but perhaps using a range of interventions would be better than relying entirely on market-assisted land reform to make a significant difference.

The Institutionalist approach may offer a more diverse solution to achieving equality, however it calls for the complete restructuring of the economy for its fundamentals to be correctly adopted. The main ideas of this approach are as follows (Brue & Grant 2007):

- 1) The economy must be considered as a complex system from a holistic perspective rather than in parts. All other influences such as society, politics and culture should be incorporated as part of the broader economy.
- 2) A focus on institutions is key. An institution defined as “an organized pattern of group behaviour, well established and accepted as a fundamental part of the culture” (Brue & Grant 2007:371).
- 3) A Darwinian or evolutionary approach should be adopted to account for the ever-changing nature of people, societies and institutions.

- 4) The rejection of the normal state of equilibrium aimed for in neoclassical economics. Institutionalists believe that adjustments from equilibrium are part of the life of the economy and are thus in themselves normal.
- 5) Not all people have similar interests, therefore there are clashes of interest to consider.
- 6) Institutionalists favour democratic reform and are of the opinion that government should play a greater role in social matters.

The main target groups of the Institutional approach are disadvantaged groups within agriculture, the labour force, and small businesses. The focus that the school directs at social change has made it attractive to labour unions, government employees and, in general, reformers (Brue & Grant 2007). Institutionalism would support radical reform in order to achieve social change, hence land reform would too be supported but it would be viewed as a stepping stone to a more substantial reform and restructure of the entire economy of a country. This kind of radicalism which impacts the existing markets within the mixed economy of a country would not be welcomed by governments and large conglomerate businesses. The powers that be will always tend to adopt the least invasive tools so as not to alter the existing markets, as a means to protect capitalism and conserve the structure of the mixed economy.

An argument for the redistribution of land from the perspective of political economy claims that the poor tend to have too little stake in the economy which results in undesirable behaviour that negatively impacts the economy, such as protesting and labour strikes. However, even this argument is not sufficient on its own to support the redistribution of land (Banerjee 1999:7). The costs incurred when redistributing land are substantial; and especially the opportunity costs may be even greater (Banerjee 1999:8). According to Banerjee (1999:8), a system which extracts funds from the land and then redistributes these funds to the poor or invests it in public services and infrastructure may be of greater benefit.

A method of extracting such funds could be through the imposition of a tax on landowners. Taxing the wealthy rural groups may be a version of land reform in that it is a method which, although it does not redistribute land, increases the resources of the poor by decreasing the resources of the rich. This does not mean that land reform should be completely ruled out and replaced with a tax system. An analysis of the potential costs and benefits of implementing both methods should be carried out prior to the initialisation of a project in order to determine the most suitable reform method.

One such tax on land developed by Henry George (1839-1897) was the theory of the proposed 'single-tax' on land. The theory of the 'single-tax' on land is not intended to eliminate market forces or to induce greater state control and ownership. George incorporated an ethical approach to economic policy-making, which he aimed toward rectifying property rights issues. George observed that population growth and improvements in infrastructure resulted in higher demand for land which hiked up the market price and raised rents. In addition, the unearned increases in the higher land values led to landowners engaging in speculation; thereby withholding land and causing an inflationary effect upon the entire economy (Andelson 1994:5).

George formulated the concept of the 'single-tax' on land as a means to address this issue; with the intended purpose being that this tax would capture any economic surplus created by the land ownership (Stilwell and Jordan 2004:120). It is important to note that the single-tax is aimed at heavily taxing the value of land in its unimproved state; thus buildings and any man-made improvements made to land (such as crop farming) are to remain untaxed or taxed at very low rates. It is the land itself in its natural state that should be taxed, because this land should in actuality belong to all; while improvements made by the landowners are a result of their efforts and labour and thus belong to them. The tax would then serve as a system which allows the generation of funds for public expenditure. The funds collected could be distributed by the state to the poor in the form of cash or could be invested in projects to improve living standards of the poor. In effect the tax allows for the redistribution of a portion of income which was unfairly earned by the landowners. Instead of landowners holding the right to claim exorbitant rents and shares of output from the rural poor, while enriching only themselves; the tax would act to absorb the rents while the state would redistribute it back into poor communities.

One of the best examples of the implementation of the land tax can be found in Pennsylvania, USA (Cord 1969:123). The land tax has been in use since 1914. The reason for the implementation of the tax is that vast plots of land were owned by a few wealthy landowners and were being held out of use or as private parks. The land was underutilised and unused at a time when the state was operating inefficiently and corruption was a major problem. The introduction of the tax sought to increase efficiency by making it too expensive for landowners to withhold their large plots from the market and too costly to allow land to remain idle. This showed much success in the following years as the main objectives were reached and the adoption of the tax remained firmly in place.

Another supporter of tax reform, Busey (1984) conducted a study on the inequality of wealth and income which exists in South America. The paper suggested that the “BEST remedy for countries suffering from land monopoly is a system which collects for public use the unearned values arising from land ownership, without disturbing possession or use of the land by its present owners.” (Busey 1984). However, Busey (1984) also identifies criteria and conditions that must be met in order for implementation of the tax to be effective. It is necessary that the process be free of corruption of any kind. In order to ensure this, specific measures could be put in place to prevent theft, fraud and bribery. The effectiveness of the land tax relies heavily on efficient operations of state agents as well as on fostering healthy relationships among landowners, the rural poor and government officials.

Land reform need not take the form of the redistribution of actual land. The land tax reform is more likely to be beneficial in the short-term and hence should not be viewed as a means to an end. It is important that governments seriously consider the long-term impact of land reform. The long-run success is highly dependent on educating, skilling and funding the intended recipients of land before the land is actually redistributed for there to be a positive effect on economic growth. The success of land reform also rests upon the alignment of goals of all parties involved. The intended beneficiaries should have similar productivity goals as the state in order

for agricultural growth to be pursued. The process of adequately equipping the intended recipients of the land is a long and complex one which requires urgent attention from the state. While placing the intended recipients of land in such educational programmes, the land tax would be an efficient short-term solution to not only achieve some of the objectives of land reform more effectively than land redistribution, but it is also likely to have positive effects on production, labour markets, and the economy as a whole.

Chapter 8 And in Closing

8.1 Recapitulation of aims

The aim of the dissertation was to establish whether the land reform policies which are being implemented in Brazil and South Africa are making a significant difference in achieving the goals of rural poverty alleviation and the attainment of wealth/income equality, while also assessing the effects that the policies are having on the agricultural sector of the market, and thus the economy overall. Finally, alternate solutions are proposed to address the shortcomings of conventional land reform.

8.2 Key points of the literature

The purpose of land reform is to redistribute land in order to attain equity. The redistribution of land acts to transfer property rights to disadvantaged groups. The aim of land reform programmes is to alleviate poverty and raise living standards within a country. Property rights are essential in that it sets the economic and social environment in which people may interact. When property rights are weak, unequal societies prevail.

The ownership of land can be categorized as communal, private and state-owned. Land reform tends to focus on altering the disproportionate pattern of ownership in private property. It has become increasingly popular in the developing world. The World Bank plays a key role in assisting developing countries with the implementation of land reform programmes. Success has been reported in some cases, such as in the Philippines, where the characteristics and size of the economy is different to that of Brazil and South Africa. However, failures of land reform have been common in many countries, for example in Eastern and Central Europe, as well as Mexico and Zimbabwe.

The study focuses on the assessment of redistributive land reform; a topic at the forefront of land conflicts in Brazil and South Africa. In Brazil the colonization by the Portuguese greatly influenced land ownership patterns, resulting in very few wealthy families owning the majority of the land. This has led to Brazil having one of the most

unequal distributions of income in the world. Both 'market-assisted' and state-led land reform programmes have been implemented. However, there have been numerous problems and cases of failure. In South Africa, before western influences infiltrated the country, communal land ownership was the norm until the country was colonized and the capitalist economy was introduced. Thereafter, Apartheid placed racial restrictions on native African groups which have significantly impacted on the ownership patterns seen today. South Africa has adopted policies for both redistribution and restitution. However, the focus of this study is on redistribution. Like Brazil, South Africa too has implemented the 'market-assisted' approach to land reform. South African land reform policy has been widely criticized for being disjointed and problematic, while being implemented inefficiently where the intended beneficiaries are not able to maintain the land after taking ownership, resulting in degradation and neglect of the once economically productive land.

8.3 Results of the analysis

In Brazil, land ownership is dominated by large estates which are owned by a few wealthy landowners. This has resulted in the inefficient use of land and major income inequalities. Although the agricultural sector was somewhat neglected in the mid-1900s; the 1990s brought with it a boom in the agricultural industry which arose out of newly issued liberalized trade policies. Brazil has become a key producer and trader in the global markets for various goods, such as coffee and beef. However, the poor masses did not reap the rewards and remained in poverty due to the political power held by agribusiness forces. This gave rise to the MST gaining momentum and land conflicts grew. Government turned to land reform to appease the masses. Unfortunately most cases have not been very successful. Resettled groups face a lack of technical assistance, training, access to credit, and education – resulting in the abandonment of the land. The agricultural industry continues to flourish while the Gini coefficient remains too high. Income and wealth inequality persist.

At the end of Apartheid, white people owned the majority of the land in South Africa. The agricultural industry was characterised by both large-scale commercial holdings and small-scale farms. Land reform programmes were implemented to assist the previously disadvantaged groups. However, the democratic state is conservative with

regard to any radical approach to land reform in order to protect the agribusiness industry and maintain investor relations. This has resulted in very slow progress being made. The 'market-assisted' approach has proven to be ineffective in reaching the neediest groups. In addition, those who do benefit experience inadequate post-settlement assistance and often fail to bring the land to full productive capacity or they experience much difficulty when attempting to break into the market. Other beneficiaries merely revert to traditional economies of subsistence farming, shrinking agricultural productivity. As a result the agricultural sector in South Africa has declined, with rural labour being negatively impacted. The land reform goals have been far too unrealistic.

Alternate suggestions and amendments to land reform policies include, but are not limited to: emphasis of the state on small-scale family farming rather than commercial farming for those who do not have the required resource capacity and depending on the size of the population being targeted; tenancy reform which would be less harmful to the economy and would provide some level of protection to tenants; or a direct redistribution of funds possibly via the implementation of a land tax.

8.4 Limitations and Recommendations

While conducting the research it was found that there are various limitations with regard to the scope and availability of existing work. While Brazilian land reform has been more extensively researched, South African related research is very limited on this topic. Statistical economic analysis specifically is rather limited for both countries due to very limited data availability. Land reform from an economic perspective is uncommon in South African literature, the focus is primarily from a legal outlook in much of the existing discourse. A limitation pertinent to both countries is the lack of more recent data and studies; most studies tend to have been conducted many years ago, hence not accounting for any recent changes. Furthermore, no efforts have been made by government itself to assess the effects of land reform policy on a country-wide scale, the assessments of results have been confined mainly to small regions or specific cases of land reform.

It is recommended that researchers be encouraged to participate in South African research studies within the area of land reform and redistribution in order to expand

the pool of resources available, especially from an economic perspective. Increased interest from economists is required for there to be greater economic coverage; and government should play a more active role in assessing its policy implementation results for efficiency and effectiveness on a national level.

Appendix

Table 4.1

Brazilian Land Reform Expropriation Processes from 1979 to 2003

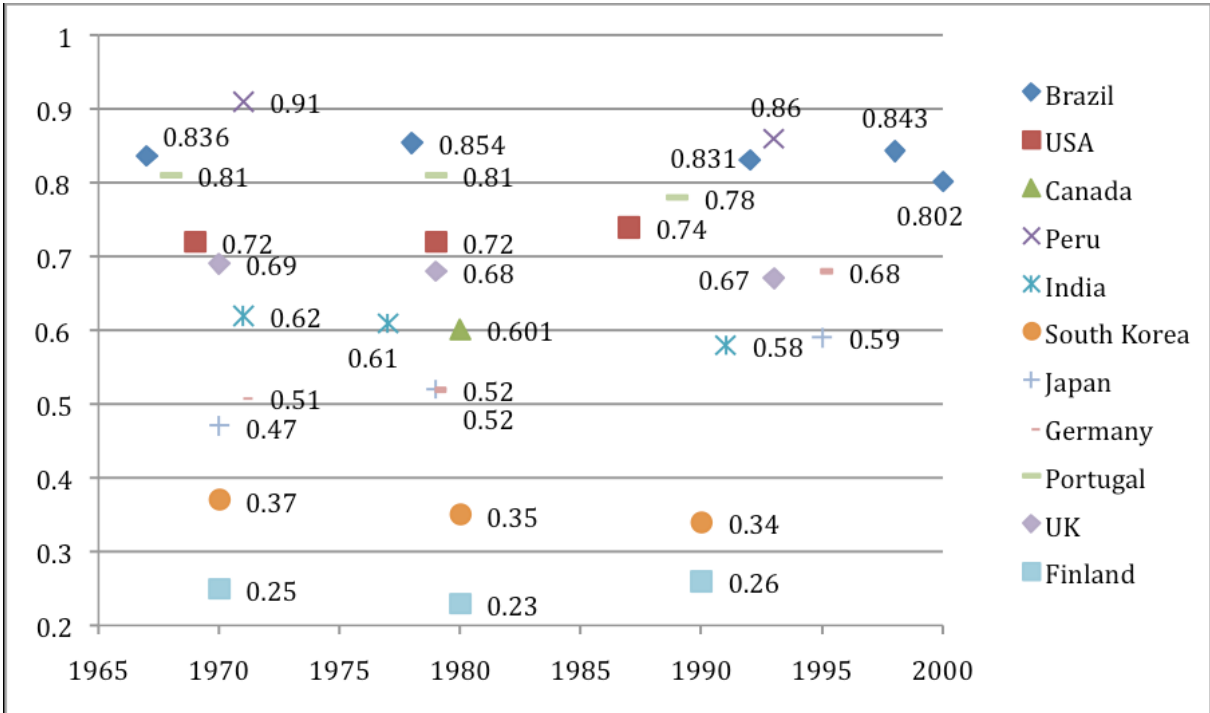
Brazilian presidents	Brazil		North Region		Northeast Region		Central-West Region		Southeast Region		South Region	
	no. of events	total area	no. of events	total area	no. of events	total area	no. of events	total area	no. of events	total area	no. of events	total area
João Figueiredo (Mar/1979 to Mar/1985)	131	2,845,029	21	1,503,700	34	488,966	26	532,296	11	47,557	39	272,510
José Sarney (Mar/1985 to Mar/1990)	701	4,811,507	128	1,789,716	258	1,276,426	89	1,290,367	85	281,368	141	173,630
Fernando Collor de Mello (Mar/1990 to Oct/1992)	7	15,065	2	5,550	0	0	3	3,041	1	3,584	1	2,890
Itamar Franco (Oct/1992 to Jan/1995)	245	1,365,263	36	402,473	113	476,309	48	419,772	15	30,746	33	35,962
Fernando Henrique Cardoso I (Jan/1995 to Jan/1999)	2,323	7,561,048	358	2,181,950	999	2,260,640	431	2,414,377	253	442,025	282	262,056
Fernando Henrique Cardoso II (Jan/1999 to Jan/2003)	1,265	2,785,296	186	511,376	633	1,175,412	189	775,182	156	249,238	101	74,089

Source: INCRA (1999).

Source: Assunção (2006)

Figure 4.1

Gini Coefficients: Brazil



Source: Lambais (2008). (Data extracted from INCRA and FAO)

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School of Accounting, Economics & Finance
Westville Campus

Dear Ms Moodley

Protocol reference number: HSS/1069/014M

Project title: The 'Land Debate': Is Land Reform the solution. The analysis of Brazil and South Africa

Full Approval - No Risk

In response to your application dated 17 August 2024, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shamila Madoo [Deputy Chair]
Humanities & Social Sciences Research Ethics Committee

/pm

Cc Supervisor: Devon Windvogel
Cc Academic Leader Research: Dr Collette Muller
Cc School Administrator: Mr Sihle Khutwayo

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