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## LAND, PROPERTY RIGHTS AND THE NEW CONSTITUTION

21-23 May 1993

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Edited documentation of issues discussed during a three-day conference held at Sanbonani, Eastern Transvaal from 21 to 23 May 1993 and hosted by The Community Law Centre, University of the Western Cape. The conference was sponsored by the Friedrich Ebert Foundation, the Swedish International Development Authority, and the Danish International Development Authority

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# CHALLENGES AND OBSTACLES TO RURAL DEVELOPMENT IN SOUTH AFRICA

Tanya Abrahamse-Lamola

### Introduction

THE paper aims to give a broad and brief overview of the array of challenges and obstacles to rural development under a new constitutional dispensation in South Africa. Further, it attempts to touch on the complexity and linkages involved and to outline possible areas of intervention.

In the opinion of the author, rural development, equity between rural and urban areas, or the bringing of dignity and a liveable life for those in the rural areas cannot merely be achieved through a water-tight property clause in a new constitution.

The state of the rural economy that we inherit after centuries of colonialism and decades of apartheid has such systemic or fundamental faults in it that an integrated mechanism or process needs to be fashioned to move us towards a viable and just rural scenario. Rather than being solely a legal issue, the solutions reside in the political, social, economic and technical arenas as well.

Finally, rural development must be part of an overall national development policy or plan. Economic, social and other links are often ignored leading to the perpetuation of rural poverty, inequality and marginalisation.

A number of simple questions follow that are often excluded from discussion concerning rural areas and their upliftment. The answers to these simple questions are often assumed to be commonly understood and yet it is clear from many writings and discussions on the subject that these are not generally understood.

The answers to these questions give an insight into

how complex rural areas are. Further, the answers show the extent to which it is necessary for the solutions to the problems of rural development to be complex, multifaceted, multidimensional and interlinked.

### 1. Where are the rural areas/what is a rural area?

This is not easy to define:

- \* Not urban metropolitan?
- \* High and low population density?
- \* Black and white population?
- \* Commercial and communal?
- \* Not forgetting forestry, fisheries, game.
- \* Intensive cropping and extensive grazing areas.
- \* High, medium and low potential productivity areas.
- \* Low and high veld.
- \* Savannah, desert, semi-desert, rain forest, scrub bush, acacia.
- \* Mountainous, tropical, semi-tropical, temperate, Mediterranean.
- \* High, but mostly low rainfall areas.

Includes:

- \* TBVC/SGT/the *Homelands*/Northern Cape.
- \* Commercial farming areas.
- \* Small rural towns.
- \* Rural high density areas such as ThabaNchu and Hammanskraal.
- \* Conservation areas.
- \* Seaboard and coastal areas.
- \* *Black Spot* areas.
- \* Trust areas.

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### 2. Who lives in the rural areas?

Not homogenous, about two thirds of the total population and includes:

- \* White farmers and their families.
- \* Service or support personnel to commercial agriculture.
- \* Permanent farm workers and their families.
- \* Tenants, domestic workers and renters.
- \* Migrant, trek and seasonal workers.
- \* Small town dwellers, black and white.
- \* Pensioners, the awaiting-employment and disabled people.
- \* Women, children, the unemployed and the unemployable.
- \* Daily and weekly commuters.

### 3. What are the rural/urban links?

There are many links, including:

- \* Migrancy, hostels
- \* Old-age homes and crèches
- \* Money in/out
- \* Capital and State externalising costs

Not exploring connections and links can lead to:

- \* Lack of understanding of dynamics of macro/national development processes.
- \* Parasitic relationship
- \* Communications and interlinking infrastructure ignored
- \* No creative view of potential markets or lack of them
- \* *Ghettoisation*
- \* No truly integrated regional entities
- \* Land divisions, classification and racial enclaves being *cast in stone* into the future.

Some possible *windows* for constructive and sustainable interventions:

These below are set out in no particular order of priority or importance as they are inextricably linked with each other.

#### 1. Land Reform vs Land Redistribution vs Agrarian Reform

A land reform process should include redistribution

of land (in one way or the other). Furthermore, what is clearly needed in South Africa's case is agrarian or rural reform where the areas that affect the political, social, economic and technical are underpinned by a robust policy framework supported by strong legislation.

It is necessary for the rural reform process to include ways and means to build on black skills:

- \* to use land and natural resources productively,
- \* to take control of local government,
- \* to deal with local power structures,
- \* to plan, implement and evaluate local development programmes and be given the opportunity to make decisions that affect the lives of rural blacks and their communities.

A rural reform process is slow, requires national commitment, resources, time, money, and expertise.

#### 2. Sustainable Land and Natural Resource Use/Management

Roman-Dutch law gives 'a man' inalienable rights over what is on and in the land, that is his property. It is not against the law to abuse that land, to pollute it or to destroy it. As long as he doesn't affect his neighbours' property rights.

This type of individual property rights, overlaid with minority racial preferential access to land, water, forest and coastal resources has resulted in an unsustainable, unjust, unequal and environmentally problematic natural resource management system in rural areas.

This is found in both so-called *black and white* areas. In *white* commercial areas, this unsustainability is further perpetuated by the props of subsidy, credit and loans. Farmers never destock in times of drought, have not felt the cost of their high-input agricultural practices and so have not adapted to what is essentially a dry sub-continent.

When a situation arose which could have forced the farmers to feel the true cost, the Government was able to find about R166 million to assist sheep farmers, while being unable to find R22 million to relieve the education crisis.

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In *black* areas, local authority systems have allowed monopoly and corporate interests, such as sugar-growers and forestry concerns to use land often unsuited to their crops, which is needed to assuage land hunger. This overlaid with the massive overcrowding, leading to overgrazing, has resulted in degraded landscapes in these areas as well.

### 3. Conservation

Land grabbing done in the name of conservation and *greenness* is a peculiar *New South Africa* phenomenon. Here land is used for the betterment of wild animals, with game-viewing as an important perk for the rich few from town. Game parks are designated and given over for the exclusive use of Parks Boards or parks owners. Local people are excluded. Even where attempts are made to include local people such as in the Northern Natal area of Kosi Bay, it is done in a patronising and disempowering way.

People struggles, such as in Richtersveldt in the Northern Cape, have been fought long and hard before real power, resource and income sharing has been achieved.

Here legislation on resource sharing would help break such monopoly control over and exclusive benefit of large tracts of land. Laws that give citizens rights to the resources, such as wood, water and thatch, are common in countries such as Britain, France, Holland and Sweden. Colonialists did not see fit to export these particular laws.

The issue of resource sharing needs to extend beyond conservation areas to include other areas of land ownership.

### 4. Job Creation

Solving the critical and inhuman levels of unemployment in all rural areas will be an important challenge to rural development in the future. Schemes that will build useful rural community assets in an economically sustainable and dignified way need to be found.

Lessons need to be sought from other countries and given a particular South African flavour. We must

move towards learning lessons with the confidence to criticise and contextualise.

Legislation around incentives and taxation to assist in the directing of investment into rural areas will be invaluable here. Concepts such as Economic Preferential Zones (notorious EPZs) and growth points need to be re-examined through democratic, non-racial, non-sexist and redistributive eyes.

### 5. Consumer Power vs Productive Power

The notion that rural enclaves have consumer power rather than productive power has been growing in popularity. It is necessary to analyse the concept, while avoiding the trap of thinking that the present land and natural resource divisions and access are cast in stone forever.

Clearly the present resource poverty and substantial de-skilling of the majority of rural dwellers make it difficult to perceive them becoming highly agriculturally productive in the near future.

However, it is a fact that black rural dwellers do not produce and sell goods and thus do not contribute to GDP figures. In other developing countries, where hawkers and/or marketeers sell in towns, rural people often produce the agricultural goods themselves. In South Africa, hawkers buy from white farmers or from distributive companies.

There are several reasons for this. In many rural areas, capital in the form of Kentucky Fried Chicken, Checkers or Ellerines, serve to take what little income is derived from pensions and migrant remittances, straight out of black rural areas into the pockets of white South Africans.

Retailers *cabal* to set certain mark-ups and as they have captive consumers, goods are always more expensive in these areas than in towns, where competition is more open and fair. With their levels of profit, expertise and personnel retailers are able to undercut any local entrepreneurial retail enterprise.

Mabileni Stores in Natal is an example of a development process designed to tap consumer power and generate sustainable Community Chest funding for community needs. The National Bulk-buying Organisation and the resources and contacts of the

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National Union of Mine workers combined to foster this at a national level.

### 6. Components of the *Social Net*

It is important to have at least an understanding of the scope of goals in a rural development process. It is also important to wield South African-specific, if not local-specific, measures of success.

A rural development process should be multi-goaled and not only be yield- or product-orientated. A measure of success for a rural development effort need not be measured only through how many bags of maize was produced, but also through an array of socio-economic and political indicators of a thriving and sustainable rural life.

Less quantifiable signs of success could include, for example, increased levels of:

- \* people's organisation,
- \* people's participation in democratic decision-making activities,
- \* viability of micro-economics,
- \* numbers of children going to school,
- \* child survival,
- \* disease prevention,
- \* communication,
- \* infrastructure and so forth.

Finally we need to look beyond a *basic needs* paradigm for rural development, to build the rural areas of South Africa into a place to cherish, to enjoy and to prosper in for all our citizens.

### 7. Power of the Banks

This is another area of crucial importance for rural developers to understand and for company law and constitutional law experts to examine.

According to rural activists, commercial sugar-growers in Natal are so in debt to many banks, including the Land Bank. All that it needed for these banks to become the biggest landholders in the region, is the slightest pressure for the debts to be called in. Legislators of a Property Law need to investigate this phenomenon. It would seem that this would be an important redistributory mechanism in

the post-elections period. The Land Bank, as a parastatal, could presumably accumulate this land in the name of the new democratic state.

Clearly the power relations *vis-a-vis* the present rural economy needs close inspection by company and corporate law experts. A cautious stepping around this area is needed to ensure that doors are not shut to equitable and just rural development processes before a new democratic era is ushered in.

### 8. Institutional Development

An understanding of the institutional mix, needed to carry forward an integrated and redistributive rural development process, is vital. Commercial farming areas had support, advice, extension, training, financing, research, marketing and suppliers, institutions, organisations and corporations geared to fostering the interests and productivity of that sector.

In some TBVC States and SGT, agricultural and development agencies flourished, tainted by elements of bribery, corruption, and patronage. Neither institutional mix will be suitable for a non-racial undivided rural South Africa.

This area of policy, discussion and negotiation is of urgent importance. In the author's opinion, real rural development will crash on the rocks of vested interest without progressive and far-sighted vision in this area.

### 9. Local Government

Finally, the importance of the entrenchment of power at local level, through representative democratic government and legislative structures, cannot be overemphasised if one wants a rural development process to succeed.

What is required is a local government dispensation that is designed to break the old power structure of despotic chiefs and fascist magistrates and create equity between the black rural ghettos and the privilege of the white landowner. Much of the *windows* set out above depend directly on getting this side of the rural equation as correct as possible. It is inextricably linked with the national effort to assist rural people to make well-informed and constructive

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decisions about a multiplicity of areas in their lives.

### Conclusion

The complexity of the rural areas we inherit require more than quick-fix, one-off solutions and is one of the greatest challenges facing us in the future. Sustainable development with equity needs to be fostered through social, political, economic and legal reform processes in such a way as to create local, regional and national synergies for rural upliftment.

The legal underpinning of this process is a challenge and should include a re-examination and a re-casting of an array of legislation including those around:

- \* Taxation
- \* Investment
- \* Company and corporations
- \* Monopolies
- \* Banks
- \* Land-use and management
- \* Consumers and business
- \* Markets and control boards
- \* Land and property
- \* Trespass and access
- \* Conservation areas

Important too, is legislation involving labour, wages and conditions of employment. Again, it is important to stress that rural development needs to be judged or measured through real improvements and upliftments in rural people's lives. An important part of rural development will be to ensure, through legislative tools, that farm workers, labour tenants and migrant workers are helped to rise out of their inhuman working and living conditions.