

**D R A F T**

**Redistributive Land Reform and Poverty Reduction in  
Namibia**

**Livelihoods after Land Reform:  
Country Paper**

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# 1 Introduction

Land reform in Namibia is one of the key questions still awaiting a solution that satisfies the majority of the population. The backdrop to the land question was a process of land dispossession which brought approximately 43 per cent of all agricultural land into the hands of white settlers. In view of the fact that the contribution to GDP of commercial agriculture is less than 10 per cent and taking into consideration the risks associated with commercial farming in an arid or semi-arid environment, the question arises why land reform continues to be such a hotly contested issue.

Several explanations can be adduced. On the one hand the spectre of land redistribution stirs up emotions of land owners who fear losing their land. To justify the retention of the status quo they oppose the current land redistribution programme on the grounds that a programme which subdivides large scale commercial farms into smaller farming units for the benefit of small-scale farmers will lead to a loss of economic output and hence impact negatively on the economy of the country. Concerns about production, economic output and the viability of small scale farming have dominated public debate on land redistribution in Namibia.

Less attention has been given to the political nature of land distribution in Namibia. Those who own land appear to shy away from this issue and have repeatedly called upon government and other stakeholders to address the land question in an apolitical, technical manner. However, for the previously disadvantaged majority of Namibia, the ownership of land continues to symbolise the structural inequalities foisted on the country by successive colonial governments. For many Africans both in Namibia and elsewhere, the loss of land signified and symbolised the loss of power by indigenous communities (Debates Vol. 41: 11). Against this background, Independence was regarded as an important milestone in regaining political power but was incomplete for as long the land question was not solved in favour of the majority inhabitants of the country. 'For as long as the land remains with the white people we are not independent' was an argument shared by members of the National Assembly, both from the ruling and opposition parties (Debates Vol.42: 33-34). Consequently, 'Independence only becomes meaningful once Africans have political power and by this is meant the control of land' (Debates Vol. 41: 11).

Such arguments resonated strongly with many sectors of the population which linked high levels of poverty directly to a lack of access to agricultural land. For many, land redistribution was essential to accelerate rural development and reduce poverty and Independence raised hopes for improved access to land. However, the exact role and potential of land reform in a comprehensive national rural development and poverty reduction programme remains unclear. While poverty reduction is referred to in Namibia's land and resettlement policies, land seldom features as an element in poverty policies and programmes developed by other line ministries.

Namibia's land reform programme is not only about poverty reduction, despite the general perception that poverty reduction is its *raison de etre*. An important part of land reform is about equity, i.e. restoring past imbalances of land distribution. Equity and poverty concerns have informed Namibia's land reform policy and legal framework. To strike an acceptable balance between these concerns continues to be a major challenge. In addition, there is no consensus as to what constitutes a viable farm size for land reform beneficiaries and the country at large.

This paper provides a brief overview of land reform and resettlement in Namibia. It will begin by discussing very briefly some of the factors that shaped the formulation and implementation of land reform. An attempt will be made to throw some light on

different interest groups that influence the particular path land redistribution has taken in the country. The remainder of the paper will be devoted to a description of available models for land redistribution and some of the problems faced in implementation.

## 2 Background

Calls for land reform in Namibia stem from the historically unequal distribution of productive agricultural land. At Independence in 1990, roughly 52 per cent of agriculturally usable land was held under freehold title mostly by white land owners, while 48 per cent fell within the communal areas (RoN 1991: 147). However, large tracts of land in the communal areas were undeveloped and unutilised, mainly as a result of the unavailability of permanent water. If this is taken into account, the commercial farming sector comprised 57 per cent of the net area of agriculturally usable land, compared to 43 per cent for communal land (Ibid).

Land in the commercial farming sector is being held under freehold title and consists of large scale farms, averaging between 5,000 and 6,000 hectares. Eighty-five per cent of this land is still owned by whites. Due to its semi-arid to arid nature, most of this land is suitable mainly for extensive livestock ranching. Sixty per cent of this land receives less than 300 mm of rainfall per annum, while only 5% receives sufficient rain to make dryland cropping a possibility (Brown, 1993: 72). Namibia differs from other former settler colonies, most notably Kenya and Zimbabwe, in that settlers here dispossessed essentially marginal agricultural land. Most areas in Namibia with higher soil fertility and higher and more reliable annual rainfall are located in the northern and north-eastern communal areas. Table 1 below provides a summary of different agro-ecological zones and their agricultural potential.

**Table 1: Agro-ecological zones and agricultural utilisation**

Zone	Agricultural potential	% Freehold land (commercial)	% Non-freehold (communal)	% non-agricultural land
1, 2	Short-maturing crops and large stock farming	0	90	10
3,4,5	Short/long maturing crops or large stock farming	36.2	56.6	7.2
6, 7	Mixed livestock farming	70	30	0
8,9,10	Small stock farming	65.8	8.9	34.3
11	Unsuitable for agriculture	0	0	100

Source: NAU 2004: 36

Almost half of Namibia's 210,000 rural households depend on access to communal land for subsistence farming which is their main source of income (RoN 2003: 49). Property rights in communal areas are defined by various customary tenure regimes. Land is largely allocated by traditional leaders, but enclosures of communal land for private use without the consent of traditional leaders or government have occurred in parts of the country.

High levels of poverty fuel demands for land redistribution. According to the latest household income and expenditure survey carried out in 2003/2004, 28 per cent of households in Namibia spend more than 60 per cent of their incomes on food and

beverages. In the absence of an official poverty datum line, people spending more than 60 per cent of their income on food are classified as poor (RoN 2006: 30).

The distribution of income is even more skewed than access to land. Ten per cent of households with the highest adjusted per capita income account for almost 50 per cent of all consumption in the country, while the lowest 25 per cent account for only 6.4 per cent. This has given Namibia the dubious distinction of being the country with one of the highest Gini coefficients in the world, having been 0.6 in 2003/2004 (Ibid: 40).

It is common to draw a direct link between unequal access to land and poverty levels. The conclusion drawn for this is that the redistribution of freehold land will reduce poverty levels significantly. Without pre-empting the results of this project on the impact that land redistribution has on poverty reduction, it must be stated that a large number of very poor people have access to arable land. In the north central and north-eastern regions of the country where farmers engage in mixed farming of rainfed cultivation and livestock rearing, many households have access to land but not to draft power and ploughs, let alone fertiliser and extension services. Between 30 percent and 65 per cent of households in those regions did not have access to ploughs, while households with no access to cattle ranged between 26 per cent in Caprivi and 64 per cent in Ohangwena regions (Ibid: 18-21). In addition, the percentage of unemployed people over 15 years increased from 9 per cent in 1991 to 31 per cent in 2001 (RoN 2003: 4). Poverty reduction on a national scale requires more than land redistribution. Without a thorough agrarian reform which redirects resources such as agricultural research and support services to small-scale farmers with access to land, poverty will not be reduced. This category of farmers increasingly includes small-scale farmers who managed to access agricultural land via the land reform programme.

### **3 Party political programmes on land reform and poverty**

While still waging an armed struggle, SWAPO Party had committed itself to a programme of land reform 'in order to redress the imbalance created by the policies of land allocation on a racial basis' (Quoted in Wellmer 1990: 1). Poverty for SWAPO was directly linked to the unequal distribution of land. The movement thus proposed to implement land reform in order to bring about 'thorough-going socio-economic transformation through the elimination of exploitative relations, both traditional and capitalistic' (UNIN 1986: 134). However, despite radical rhetoric on socio-economic transformation, SWAPO's thinking on land reform was essentially pragmatic, at times even ambiguous. Its ultimate position on the issue was made dependent on the attitude of white settlers towards the government at the time of independence. Should they decide to run away and abandon their farms, the state would have to act quickly with the nationalisation of these farms. If they remained, the government might have to consider ways of nationalising their property and compensating farmers in the process (Ibid).

Apart from the possible nationalisation of abandoned land at independence, nationalisation was only envisaged for land held by absentee owners and foreigners as well as 'excessively large ranches [which] could become state property' (Ibid: 128; 134). At the same time, a more gradualist policy towards land acquisition similar to that of Zimbabwe where the state bought land at market prices was not excluded (Ibid: 128). To a large extent SWAPO's thinking on land reform was modelled on the Zimbabwean experience. This was not only true for the method of land acquisition, but also regarding models for resettlement (Ibid: 128ff).

SWAPO argued that farms in the semi-arid southern parts of the country needed to be kept large in order to be viable and efficient. In order to marry equity concerns

with the need to retain large farms, the movement felt that it was necessary to promote state farms and co-operatives, and 'to a certain extent' commercial farming (Ibid: 131).

The Democratic Turnhalle Alliance (DTA) and its allies also identified a need to address the land question in order to bring about improved living conditions for Namibians. However, these political groupings did not regard a lack of access to land as the main cause for rural poverty, but rather 'traditional' ways of farming. Subsistence farming rather than a shortage of land were thus identified as the main cause of rural poverty. Consequently, the alleviation of rural poverty did not lie so much in the redistribution of land as in the transformation of 'communal' patterns of land ownership to freehold. The establishment of a class of black land owners was one of the main aims of this grouping. It proposed to do this by enabling black Namibians to buy their own land instead of being put on somebody else's land.

#### **4 The politics of land reform**

A number of political and historical factors have shaped land policy and its implementation in Namibia. To begin with the pattern of land dispossession affected indigenous communities unevenly. The majority of the population practising mixed farming in the north-central and north-eastern regions of the country has never been dispossessed of their land by any colonial power. To be sure, land dispossession and the drawing of international borders has circumscribed the mobility of people in the mixed farming areas of north-central and north-eastern Namibia. But dispossession in the sense of having uprooted communities and relocated them in different areas has never happened in the same way in those parts of the country as they did in the former 'Police Zone' (Werner 2002: 55; Dobell 1995: 193n).

These areas, and in particular the former Ovamboland, formed the backbone of the liberation movement under SWAPO. In view of the historical discussion above, it is reasonable to assume that the land question has never occupied as important a place in the public imagination of SWAPO's main constituency and their expectations about the future as amongst the dispossessed proper. Demands of SWAPO included the abolition of the migrant labour system as well as the 'disadvantaged position of their constituent members' (Tapscott 1995: 155). The land question did not occupy as central a role in the political programme of SWAPO as it did in political parties more broadly representing the dispossessed such as SWANU. Numerically, the previously dispossessed remain a minority, wielding little political power.

The nature of Namibia's Independence process also shaped the nature of the Namibian state and SWAPO's development strategy. The liberation struggle was mainly nationalist in orientation and focussed on mobilising the international community while waging an armed struggle (Tapscott 1995: 158; Dobell 1995: 171). This was conditioned by the fact that since Namibia was a mandate of the United Nations, Independence was considered to be an international problem. An important part of the struggle was to mobilise the international community – east and west – to support the Independence of Namibia. This, according to Dobell, necessitated a pragmatic approach which militated against a unified ideological outlook on developmental issues. Of primary concern was majority rule and independence; what followed after that could be negotiated. From this Dobell concluded that SWAPO's documents were primarily borne out of political expediency and 'shape[d] by a small cadre of top SWAPO leaders assisted by some foreign academics, who after 1976 were mostly associated with UNIN' (Ibid: 175).

According to Dobell (1995: 172) the focus on mobilising the international community also meant that little mobilisation was done inside the country. Tapscott (1995: 158) argued that SWAPO's interest in organised labour, for example, was largely

instrumental in so far as it was aimed at generating support for the liberation struggle rather than fighting for work place demands. Civil society was also weak. South African occupation forces effectively prevented the growth of independent community-based NGOs in the northern regions of the country 'in the belief that they could be mobilised towards resistance by forces sympathetic to SWAPO. Together with 'SWAPO's own penchant for authoritarianism' and autocratic traditional authority structures, it was not possible for mass based organisations to emerge (Tapscott 2001: 322).

Tapscott (Ibid: 314-315) argued that at Independence, a new elite comprising much of the existing elite but swelled by a new organisational elite of senior administrators, politicians and business people emerged in Namibia. The interests of the incoming elite coalesced to a large extent with the interests of the old and largely white elites. The process of developing a broader class identity which transcended colour was facilitated to some extent by pre-Independence reform processes which led a limited degree of racial integration. Elite formation, therefore, was not strictly along ethnic lines. This is borne out by senior appointments to the civil service and parastatal organisation (Tapscott 1995: 163).

The nationalist character of national liberation manifested itself in discussions about the land question after Independence. Black politicians across the party-political spectrum were unanimous in their support for redistributive land reform. What united them was the fact that freehold agricultural land was still largely in the hands of whites. A former Minister and senior SWAPO MP stated during the debate of the Agricultural (Commercial) Land Reform Act in 1994 that

We feel that as long as land remains with the white people we are not independent. [This] is a sentiment throughout this country for as long as you are black. You can see it in this House, from the time that this debate started the unanimity on this issue, not only in principle, but in anticipated reality. Among us blacks, there is no difference, no difference whatsoever (Debates 1994: 33-34).

At the same time, concerns were expressed by the official opposition that land reform should be addressed in such a way that 'the minority who might have land now, must also feel that Namibia is their country, Namibia needs them and they are citizens of Namibia' (Ibid Vol.42: 132).

Against this brief discussion of class formation it is not surprising that, according to Tapscott (1995: 165-166), the most vocal and articulate claims for land redistribution came not from the landless poor, but from wealthier black farmers seeking to increase their own access to land. Tapscott concluded that 'For these people it was not the inequitable distribution of land in itself which was unsatisfactory, but rather their share of it'. This argument is lent credence by the fact that large tracts of land in communal areas were fenced off for private use by business people, politicians and people well connected to the new elite. The Secretary-General of the Namibian Farm Workers Union, which is aligned to SWAPO, even alleged that 'every Minister has already got his farm'. (Hunter 2004c: 116 ).

## **5 The policy process after Independence**

After Independence the new SWAPO government introduced a policy of national reconciliation. This was regarded as politically and economically necessary to forestall the flight of capital and minimise the risk of political destabilisation by disaffected opponents of the new government. At the same time, the policy of national reconciliation did much to reinforce the status quo 'and in so doing has further strengthened trends towards elitism amongst the indigenous population' (Tapscott 2001: 317).

As far as the land question was concerned, the policy of national reconciliation provided the backdrop to the historic Conference on the Land Question and Land Reform hosted by the Prime Minister in 1991. According to the founding President of Namibia the general objective of the conference was 'to achieve the greatest possible consensus on the land question' (RoN 1991: 6). Three principal areas of discussion were identified by the Prime Minister:

- Colonial dispossession;
- Equity; and
- Efficiency (ibid: 9).

The conference was also regarded as entrenching democracy by consulting people from all over the country on the land issue. Altogether 24 consensus resolutions were taken at the Conference, half of which dealt with the freehold sector. None of the resolutions were binding on policy makers.

A few interesting features about the Conference need to be spelled out. The first is that 'full restitution' of land rights was ruled out and never became part of Namibia's land reform policies and programmes (RoN 1991: 31). On the one hand this acknowledged difficulties of defining ancestral land rights, particularly where land claims of different communities overlapped. On the other hand, the resolution provided political legitimacy to widen the definition of land redistribution beneficiaries beyond those communities that were dispossessed. By the same token such a definition precluded any land claims that related to specific ethnic communities, something that must have been regarded as a threat to national unity in view of Namibia's most recent past of ethnic government.

Decisions about the redistribution of freehold agricultural land were to be based on scientific data. To this effect participants at the Conference resolved to appoint a Technical Committee on Commercial Farmland to assess

the facts regarding under-utilised land, absentee ownership, viable farm sizes in different regions, excessively large farms and multiple ownership of farms and to make recommendations for the acquisition and reallocation of land so identified (RoN 1992: xiii).

While this approach undoubtedly had its merits in terms of attempting to introduce a land reform programme that was economically and environmentally sustainable it also depoliticised the land question to some extent.

While the Conference on Land Reform and the Land Question established a process of consulting civil society organisations on the land question, subsequent developments suggest that this approach was not sustained in later policy development. On the basis of resolutions taken at the Land Conference and the recommendations of the Technical Committee on Commercial Farmland the development of legislation<sup>1</sup> on land reform was left to technocrats. NGOs criticised government for not consulting civil society on the drafting of land reform legislation and dragging its feet. In response, the Namibian Non-governmental Forum (NANGOF), an umbrella organisation of NGOs, organised a conference in 1994 to discuss the land question and put forward recommendations to government on land policy and legislation. Invitations by the NGO Working Committee on Land Reform to senior ministers to address the Conference were declined and the Minister of Lands, Resettlement and Rehabilitation tabled draft legislation on land redistribution in the

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<sup>1</sup> The Agricultural (Commercial) Land Reform Act was passed in 1995, 3 years before the National Land Policy was approved.

National Assembly while NGOs were discussing the land question (NGO-WCLR 1994).

But government also came under fire from its own allies. In 1999 the National Union of Namibian Workers (NUNW), a trade union federation allied to SWAPO, launched a stinging attack on government for failing to consult people about land. It stated: 'Yes, people are consulted during the process of policy formulation. However, it is the conviction of the majority [of Namibians] that consultation only serves as public relations exercise. The input of people is not always taken into account' (The Namibian 2.7.1999). Similarly, the Namibia National Farmers Union representing communal farmers alleged that its policy recommendations were not taken seriously by government. Against this the Minister of Lands stated that her Ministry held regular consultations with the NNFU (Republikein 10.9.1999).

Government's seeming reluctance to engage with civil society on land policy and legislation reflected prevailing power relations. More specifically, the dispossessed and landless were not organised in any coherent way. NGOs which took up the cause for land redistribution had limited impact as a result of limited capacity to do advocacy work.

For historical reasons discussed above, the land issue did not occupy a central place in public political debates. The historical reasons for this were reinforced by SWAPO's strong electoral performance. SWAPO consistently performed strongly at the polls. Fuller (2004: 84) has argued that SWAPO's large electoral majority of 75 per cent was a factor promoting stability in the country. He surmised that as a result 'it is highly unlikely that SWAPO...might use the land issue in an election'. The Secretary-General of the Namibian Farm Workers Union, which is aligned to SWAPO, went a step further when he stated in an interview

Land is not yet a political issue. It is not top priority for the Government. The ruling party is strong: SWAPO does not need the land campaign to convince people to vote for them...Maybe the land issue is not a top priority because every Minister has already got his farm. They can postpone this issue...until there is strong pressure from the poor. Of course the poor first have to get organised...Action may come... It is just a question of time (Hunter 2004c: 116 ).

Important as strong electoral performance is for stability in the country, it ignores the possibility that political contestation within the ruling party may have destabilising effects. It is interesting to observe in this regard that the first expropriation of commercial farms was announced in early 2004 before a presidential and general election later that year. Four presidential candidates were nominated by SWAPO to contest presidential elections. The background to expropriation arguably was not to gain more votes at the polls. Instead, it is conceivable that one of the contending factions used expropriation as a means to mobilise support. This view is supported by the fact that since then only 3 farms were expropriated.

## **6 Objectives**

Vision 2030 provides the overarching vision for development in Namibia. This Vision suggests that by 2030 there will be 'a prosperous and industrialised Namibia developed by her human resources, enjoying peace, harmony and political stability' (V 2030: 38). The Vision for the land reform and agricultural sub-sectors is that

Land is used appropriately and equitably, significantly contributing towards for security at household and national levels, and supporting the sustainable and equitable growth of Namibia's economy, whilst maintaining and land capability (V 2030: 144).

The corresponding objectives are that 'all Namibians have equitable access to land and other natural resources and these resources are sustainably and efficiently used, while maximising Namibia's comparative advantages' (ibid: 145). The strategies identified to achieve this include the implementation of a land redistribution that promotes equity as well as a resettlement programme that is aimed at 'serious' farmers and the rural poor (ibid). As far as land reform is concerned the Vision restates the basic objectives of earlier land reform and resettlement policies. However, it situates these in a framework focusing on economic growth and the development of an industrialised nation.

The objectives of land reform as set out in major policy and legal instruments seek to address two major issues that were inherited at Independence: poverty and unequal access to land. In very broad terms land reform seeks to

- Bring about more equitable distribution of and access to land;
- Promote sustainable economic growth;
- Lower income inequalities; and
- Reduce poverty.

More specifically, the objectives of land redistribution in the freehold farming sector seek

- to redress past imbalances in the distribution of natural resources, particularly land;
- to give an opportunity to the target groups to produce their own food with a view towards self-sufficiency;
- to create employment through full-time farming and other income generating activities;
- to bring small holder farmers into the mainstream of the Namibian economy by producing for the market;
- to alleviate human and livestock pressure in communal areas; and
- to offer citizens an opportunity to reintegrate into society after many years of displacement by the colonisation process, war of liberation and other diverse circumstances (RoN 2001a: 3).

Corresponding to these objectives, Government has identified three main categories of potential beneficiaries in its Resettlement Policy. These are:

- People who have neither land, income nor livestock;
- People who have neither land nor income, but few livestock; and
- People who have not land but have income or are livestock owners, but need land to be resettled on with their families and to graze their livestock (RoN 2001a: 3)

The Land Reform Act, however, is not specific on the target group for land reform. It provides a very wide definition of beneficiaries of land reform. These will be

Namibian citizens who do not own or otherwise have the use of agricultural land or adequate agricultural land, and foremost to those Namibians who have been socially, economically or educationally disadvantaged by past discriminatory practices.

## 7 Programmes

The land reform programme in Namibia has four main components. These are:

- Redistributive land reform;
- The Affirmative Action Loan Scheme;
- Development of unutilised communal land; and
- Tenure reform in communal areas.

The policy and legal framework guiding land reform consists of the following:

- The Constitution of the Republic of Namibia;
- Vision 2030;
- Agricultural (Commercial) Land Reform Act, 1995;
- National Resettlement Policy, 2001;
- National Land Policy, 1998;
- Communal Land Reform Act, 2002.

### 7.1 Redistributive land reform

Under the redistributive land reform programme, the state buys large scale commercial farms in the freehold sector on a 'willing seller-willing buyer' basis for sub-division and allocation to small-scale farmers. Only in 3 cases has the state expropriated farms.

The provisions of the Agricultural (Commercial) Land Reform Act, 1995 prescribe the implementation of this component of land reform. Amongst other things the Act

- lays down a preferential right of the state to purchase commercial farm land;
- provides for market related compensation;
- establishes a Land Reform Advisory Commission consisting of stakeholders to advise the Minister of Lands;
- prescribes the way in which commercial farm land has to be planned and allocated;
- provides for the subdivision and survey of large scale commercial farms for small scale farming;
- restricts the acquisition of commercial farm land by foreigners; and
- establishes a Lands Tribunal to solve possible disputes over prices between sellers and the government.

Beneficiaries are expected to pay monthly rentals to the state for their land. However, this has not happened as yet, as proper rentals have not been determined. Monthly grazing fees for livestock have been set at N\$ 1.50 per month for large stock and N\$ 0.50 for small stock, but have never been collected.

#### 7.1.1 Settlement models

The models proposed in the Resettlement Policy include individual holdings – often referred to as the Farm Unit Resettlement Scheme-; group holdings for formal or informal groups of more than one person who cannot form a co-operative but are interested in agricultural production as a group; and co-operative holdings or other legal entities such as companies and close corporations (RoN 2001a: 7).

It reasonable to say that little debate has taken place on additional options for resettlement and livelihoods on redistributed land. The PTT (2005a: 29) recommended that models be developed that encouraged beneficiaries to co-operate and accept joint responsibility for shared resources. Another possible model, viz. the purchase of commercial farms for communal area expansion, for example, was rejected at a land reform workshop in 2001. Adams (2001: 2) stated that an official from the MLR said that 'communal area expansion was unacceptable as a policy option'. However, if the point of departure for successful land reform is improved livelihoods for the poor, additional models for resettlement need to be developed.

Currently, the FURS component of redistribution is the most prominent element of land reform. Under this model, individual beneficiaries are allocated a small farm, measuring at least 1,500 ha in the northern parts of the country and 3,000 ha in the more arid southern regions. In order to qualify, they were not permitted to have more than 150 large stock units. Management decisions are taken by individual beneficiaries, who are expected to enter into lease agreements with the MLR.

The average sizes of land allocations under FURS were 2,138 ha in the southern half of the country and 1,200 ha in the better endowed northern regions. The overall average cost of land acquisition per household was N\$ 272,000 (PTT 2005b: 40).

In addition to the FUR scheme, the MLR administers 41 group projects. The importance of these group projects appear to have receded into the background since the early post-Independence years. Throughout the 1990s, people such as farm workers who lost their employment as well as others who were destitute were settled on group schemes. By and large these projects were implemented in areas where small-scale crop production was feasible, such as the northern communal areas. Beneficiaries of the first projects were allocated small fields ranging between 4ha and 7 ha for dry land cropping. In some of the larger projects schools and clinics were built, and generally beneficiaries were provided with food for work, low cost housing, drinking water and water for small gardens (Annual Report 1995/96: 19).

Livelihoods on those schemes centred on agricultural production but attempts were made to introduce additional income generating activities. These included brick making, small bakeries and sewing activities. Some were assisted with the procurement of farm implements, provision of drinking water, irrigation equipment, materials and supplies, seeds, fertiliser and pesticides. The policy was for government to support 'the poorest section of beneficiaries for the first five year period, Thereafter they are expected to be trained and properly equipped to become self-reliant' (The Land 1,1, 1998).

### **7.1.2 Tenure on resettlement land**

The Agricultural (Commercial) Land Reform Act, 1995 provides for the granting of 99 year leasehold rights to allocated farming units and subsequent registration of such lease agreements in the Deeds Office. In terms of the Act leasehold rights are circumscribed in so far as rights to assign, sublet, mortgage or in any way encumber a farming unit allocated by the MLRR is subject to the written approval of the Minister. However, in a legal opinion the Office of the Attorney-General expressed the view that a mortgage could be registered on any lease agreement registered in the Deeds Office.

Towards the end of 2002 the Minister of Lands, Resettlement and Rehabilitation introduced an amendment to the Land Reform Act, in which he proposed that the section of the Act which provides for the option to purchase a farming unit after five years be deleted. Such land, he argued, should never be for sale. Instead, 'it should rather serve as place where some future potential commercial farmers should graduate from and be able to acquire their own agricultural land'.

## 7.2 The Affirmative Action Loan Scheme

To complement the Farm Unit Resettlement Scheme, Cabinet resolved in 1992 to enable previously disadvantaged Namibians to buy commercial farms through subsidised loans provided by the state. This scheme became known as the Affirmative Action Loan Scheme. The Scheme was designed to enable previously disadvantaged Namibians to buy large scale farms in the freehold sector by means of subsidised interest rates. Its objectives are to encourage large scale communal farmers to move their livestock out of communal areas onto large scale farms and to become fully-fledged commercial farmers (PTT 2005b: 41).

The AALS is implemented by Agribank on behalf of the Ministry of Agriculture, Water and Forestry. It was first implemented in early 1992. Initially only full-time farmers qualified for an Affirmative Action loan, but in 1996 an amendment enabled part-time farmers to benefit as well. In order to qualify for an AALS loan, applicants must own a minimum of 150 large or 800 small stock or the equivalent in cash.

In terms of the AALS, Agribank provides loans for a 25 year period at interest rates which are subsidised by the government. Loans are granted against security of mortgage bond and productive use of land is insisted upon. A ten year restriction clause is registered against properties to avoid speculation. In practical terms this means that AALS farmers may only dispose of their land during the first ten years with the consent of Agribank in concurrence with the conditions imposed by the Minister of Agriculture, Water and Forestry. The subsidy contributed by government must be paid back when selling within ten years (Agribank 2000: 14).

AALS farmers are required to contribute 10 per cent of the purchase price of a farm. Different repayment schedules apply to full-time and part-time farmers. Full-time farmers are not required to repay either interest or capital during the first three years. From year 4 onwards, the outstanding amount is redeemed over the remaining 22 years at an escalating interest rate. Part-time farmers may elect to service the interest portion only during the first three years, redeeming the outstanding amount over the remaining period at interest rates that are determined by non-farming income bracket. Another option for part-time farmers is to capitalise the interest portion for the first three years and redeem the outstanding amount in the period thereafter (Agribank 2004: 16). Table 2 summarises the repayment schedules for part-time and full-time AALS beneficiaries.

State guarantees are provided to finance the difference between the purchase price of commercial farmland and the reasonable value of the land. The latter is based on the production value of the land and is well below the market value of the land. After a recent revision of the AALS, Agribank will finance 80 per cent of the land loan value, while the state will provide a guarantee for 10 per cent of the loan. The remaining 10 per cent will be the owner's contribution towards the loan (Schuh et al 2006: 144).

The PTT (2005b: 45) argued the capital outlay by government for the acquisition of commercial farm land for redistribution was higher than the subsidies it provided to the AALS.

**Table 2: AALS loan repayment schedules**

Year	Interest rates for full-time farmers	Interest rates for part-time farmers				
		< N\$100 000	> N\$100 000 < N\$200 000	> N\$200 000 < N\$300 000	> N\$300 000 < N\$400 000	> N\$400 000
Non-farming income						
Year 1-3	0%	1%	2%	6%	10%	11.75%
Year 4-6	2%	3%	4%	10%	11.75%	11.75%
Year 7-8	4%	5%	6%	11.75%	11.75%	11.75%
Year 9	8%	9%	10%	11.75%	11.75%	11.75%
Year 10+	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%

Source: PTT 2005b: 41

## 7.3 Communal Land Reform

### 7.3.1 Customary tenure

The Communal Land Reform Act, No. 5 of 2002 was passed in the latter half of 2002 and signed into law in early 2003. In broad terms, the Act provides for the registration of all rights to residential and arable land held in communal areas. Property rights to communal grazing areas are not covered by the Act. It distinguishes two different kinds of rights to be recognised: (i) customary land rights; and (ii) rights of leasehold.

With regard to customary land tenure, the Act recognises and confirms the powers of traditional leaders to allocate and revoke rights in land. However, customary land administration will be formalised. Communal Land Boards will control customary allocations and revocations of land rights. Future applications for new customary allocations of land will have to be addressed in writing to Traditional Authorities. After approval, the latter will have to inform Communal Land Boards about new allocations and furnish particulars with regard to such allocations to the Board. Once Land Boards have satisfied themselves that a particular allocation does not infringe on the land rights held by another person, does not exceed the maximum area prescribed - currently set at 20 ha. - and does not fall into an area reserved for common usage, such a right will be registered by the Communal Land Board and a certificate of registration will be issued to the applicant. In this way customary land rights will be legally protected.

Existing customary land rights holders will have to apply to their respective Land Boards for recognition and registration of their land rights. The same criteria used in new allocations will be applied to assess the legitimacy of such allocations. Should there be reason to doubt the validity of a claim or that there are conflicting claims, Land Boards will have to initiate a hearing.

The Act provides for the inheritance of customary allocations through the Traditional Authority of a particular area. These provisions are aimed to ensure that rights to land will remain in a particular family for as long as a family wishes to keep them. Any other transfers of customary rights can only occur with the written consent of the Chief or Traditional Authority of a particular area.

### 7.3.2 Leasehold

The Communal Land Reform Act seeks to make 'unused' communal land available to individuals under leasehold with a view to promote agricultural development. This will effectively reduce the areas of jurisdiction of traditional leaders by bringing customary land under the control of the state. The Act empowers the Minister of Lands and Resettlement to designate portions of a particular communal area after which long term leases may be granted for agricultural development purposes within such a designated area. Designation has to be preceded by consultations between the Minister and the Communal Land Board and Traditional Authority under whose jurisdiction the proposed designation falls. Communal Land Boards are only authorised to grant rights of leasehold if Traditional Authorities have consented to this. Should the latter refuse, the Land Boards will submit the matter to arbitration.

Grantees of leaseholds may be required to survey their land at their own expense. Once surveyed, the leasehold will be registered in the Deeds Office under the Deeds Registries Act, 1937.

The Act also provides for the legalisation of enclosures of communal pastures and prescribes an elaborate procedure for assessing such applications. This procedure affords members of traditional communities who feel aggrieved by enclosure to contest these.

Finally, persons who are aggrieved by a decision of a Traditional Authority and/or Land Board will be able to appeal against such a decision to an appeal tribunal appointed by the Minister of Lands.

### 7.3.3 The development of unutilised communal land

The provisions of the Communal Land Reform Act discussed in section 7.2.2 provide the legal framework for the development of unused communal land for agricultural purposes. This represents the third component of the land reform programme. The feasibility of this option was investigated for the National Conference on Land Reform and the Land Question in 1991. The consultants concluded at the time that this was a high cost option and that benefits were unlikely to be widely distributed (RoN 1991: 498). Following up this option, the Ministry of Lands, Resettlement and Rehabilitation appointed consultants to investigate the potential and feasibility of developing unused communal land for agricultural purposes. They identified approximately 4.7 million hectares of 'unused land' in 8 regions of the country that had the potential to be developed into commercial units ranging in size between 3,600 and 4,000 ha. The MLR has revised those recommendations and has surveyed farms of 2,000 ha in Caprivi Region and 2,500 ha in Ohangwena (Schuh et al 2006: 20). Table 3 below provides a summary of the proposals.

**Table 3: Communal land identified for possible agricultural development**

Region	Estimated unused area (Ha.)
Omusati	450,000
Oshana	43,500
Oshikoto	820,000
Ohangwena	62,100
Kavango	856,000
Caprivi	110,000

Otjozondjupa / Omaheke	2,400,000
TOTAL	4,7341,600

Source: IDC 2000: 32; 2001: 41; 2002a: 18; 2002b: 21

The stated objectives of developing communal areas for agricultural development are to improve the living conditions of communities living in those areas and ultimately reducing poverty. The aim is to allocate small-scale fenced and surveyed farming units to individual farmers who will be encouraged to farm commercially (Schuh et al 2006: 20). Senior politicians have expressed the view locally and abroad that 'ultimately, commercial farming methods will have to be introduced in communal areas in order to improve the output of farming activities in these areas' (RoN 2000: 19-20). Potential beneficiaries are therefore expected to commercial farmers in their own right and have the capacity to operate as such. In selecting beneficiaries, consideration will be given to previous farming experience, current farming activities, financial capacity of individuals and their management capacity' (RoN n.d.: 3).

## 8 Progress

In the absence of socio-economic data it is difficult to discuss the impact that land reform may have had on poverty reduction. This section will therefore focus on the amount of freehold agricultural land that has changed hands from white to black owners. The main mechanisms for this transfer were the FURS and AALS schemes, as the programme of developing 'unused' communal land for agricultural purposes is still in its infancy. More than 500 farming units have been surveyed in the north-central and north-eastern communal areas, but it is not known whether any infrastructure development has taken place yet and whether land has been allocated.

It was mentioned above that no consistent targets exist for the acquisition and allocation of land under the farm unit resettlement scheme. The same applies to the Affirmative Action Loan Scheme. By contrast to the FURS, AALS is demand driven and is limited only by the funding made available by government to Agribank.

The transfer of agricultural land from white owners to black owners has progressed far more rapidly under the Affirmative Action Loan Scheme. Since Independence, more than three times as many farms have changed hands under the AALS than under FURS. While by 2005 163 farms had been acquired via the willing seller willing buyer principle by the MLR, 625 farms were bought with subsidised loans under the AALS. Table 4 below provides a comparison. It shows that approximately 85 per cent of all freehold land still remains in the hands of primarily white land owners. It will be noted that the land purchased by ethnic governments before Independence was more or less equal to the land purchased by government from 1991 to 2005.

**Table 4: Redistribution of freehold land, 1980-2005**

Year	Type of acquisition	No. of farms	Total freehold area (ha.)
1980-1990	Representative authorities	181	980,260
1991-2005	Resettlement	163	993,841
1992-2005	Affirmative Action Loan Scheme	625	3,470,000
	TOTAL	969	5,444,101
	Total freehold area		36,000,000

	Percentage of freehold area		15
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Source: RoN 1991: 126; PTT 2005b: 39, The Namibian 10.3.2006

## 9 Impact on poverty and livelihoods

### 9.1 Land reform, livelihoods and the national poverty framework

A fundamental principle of the National Land Policy is a focus on the poor. The poor are defined as people who are 'landless or those with little or insufficient access to land who are not in formal employment or engaged in non-agricultural activities' (RoN 1998a: 1). Complementing the National Land Policy, the National Resettlement Policy directs considerable attention to assisting the poor to rise out of poverty by improving their productive capacity through the acquisition and allocation of land to enable them to make a living. In terms of the Resettlement Policy beneficiaries are expected 'to be self-reliant and self-sufficient' after four years of government support (Ibid: 7). The Resettlement Policy does not spell out the level of welfare to be achieved by settlers. It merely asserts that 'a target minimum income level has to be established' (Ibid: 6). With regard to beneficiaries, income levels do not matter in the selection process (The Namibian 21.11.2002). This makes it possible for high income earners to qualify for resettlement provided they fall within one of the three categories of beneficiaries. The importance of land reform in poverty reduction was reiterated by Cabinet, which, after a retreat at the end of the year 2000 was reported to have stated that 'without achieving a breakthrough in the land reform programme, the fight against poverty would not succeed' (New Era 22.12.2000-12.1.2001).

Although not the only concern of land reform, poverty reduction through land redistribution and improved access to land has occupied a central stage in public discussions about the successes or failures of land reform. In part this preoccupation stems from the observation that the majority of beneficiaries are employed and hence not part of the poor. Justified as these concerns may seem, they ignore the stated policy that disadvantage Namibians more generally should benefit from a more equitable distribution of land.

At the same time, the role of land reform in a wider rural development and poverty reduction programme remains ambiguous in official policy documents. Cross-sectoral policies on poverty reduction are not as unequivocal about the role that land reform can play in poverty reduction strategies as the National Land and Resettlement Policies. Namibia's principal statement on poverty reduction, the Poverty Reduction Strategy for Namibia, which was approved by Cabinet in 1998, does not accord redistributive land reform a long-term role in poverty alleviation. It argues that 'the agricultural base is too weak to offer a sustainable basis for prosperity' and foresees that in 'a quarter century from now, the large majority of the country's inhabitants...are likely to have moved into urban centres...' (RoN 1998b: 3, 5). While the Poverty Reduction Strategy sees a significant potential in alleviating poverty through the development of the livestock sector, further opportunities for the development of cultivation in the freehold or commercial farming sector are regarded as limited. It argued that at best, 'land reform and an associated shift to intensive cultivation could yield a one-time gain for poverty reduction in those few areas that are well watered but presently farmed by extensive commercial methods' (Ibid: 10). These statements echo the conclusions drawn by a World Bank study on poverty reduction that preceded the Poverty Reduction Strategy (World Bank 1997: 12). Land reform does not feature in the National Poverty Reduction Action Programme 2001-2005 (RoN 2002) which was tasked to concretise the Poverty Reduction Strategy.

The Second National Development Plan (NDP 2) also does not provide any detail on how land reform will support a broad based rural development strategy aimed at reducing poverty. In a cross-sectoral chapter on poverty reduction (RoN n.d: 558f), access to land as a strategy to reduce poverty is not discussed at all. The only reference in that particular chapter to land and poverty alleviation is found under the heading of targets and performance indicators for the agricultural sector, which simply states that land will be provided to poor landless families (Ibid: 565).

Indications are that a reassessment of the role of land reform in poverty reduction has been taking place in the Ministry of Lands and Resettlement. In its Annual Report for 1998/1999 the Ministry refers to a 'paradigm shift in its search for an integrated and sustainable resettlement programme'. The report suggested that this was a response to a lack of suitable land for resettlement and budgetary constraints for buying farms, demarcating them and upgrading them. The shift appears to be away from beneficiaries with few assets and little experience in agriculture towards those who brought sufficient assets and experience into the process to farm productively. In terms of the new paradigm, 'it was imperative to expand [the] list of priority groups to include people who can add value to the resettlement programme by making a contribution to the maintenance of allotments and pay monthly lease amounts to government' (Annual Report 1998/1999: 33).

The observation was made during a ministerial workshop that individual beneficiaries were more successful than 'the poorest of the poor' and provided employment opportunities. There was a concern that 'in retrospect the focus on resettlement as the only strategy to assist the landless and poor people, particularly the San, may have been unwise' (RoN 2001b:5-6).

Against the background of these concerns it comes as no surprise that in later years the MLR stated in an annual report that deserving beneficiaries should have a background and interest in agriculture or any other enterprises offered on resettlement projects. Moreover, those intending to farm with livestock should own the number of livestock determined by the carrying capacity of each project. Beneficiaries should also be able to support cost recovery measures such as payment for water (Annual Report 2004/2005: 14). This appears to eliminate the category of potential beneficiaries without any livestock, employment or income.

It is not easy to trace all the reasons for these changes. Financial and administrative costs of providing support to beneficiaries appear to be among the reasons for the rethink on poverty reduction. Adams (2001:3) stated that it may have 'reflected the government's worries about the high cost and the lack of sustainability of attempts to resettle the poor'. Budgetary constraints were cited in several annual reports as the reason why government was no longer able to provide the support needed by beneficiaries. In 2003 a contribution to the official newsletter of the Ministry of Lands and Resettlement quoted its Minister as saying that government would no longer be able to provide basic support and food on a monthly basis the beneficiaries (The Land, 7, 7, 2003: 5).

Despite these concerns, the MLR is mindful of government's social responsibility to support the poor. The suggestion was made that in addition to agricultural activities, income generating opportunities on resettlement schemes should be encouraged and that beneficiaries should be allowed to engage in off-farm employment (RoN 2001b: 9). This boils down to the realisation that the dominant resettlement model might not have been the most appropriate way to assist the poor. A more holistic approach including off-farm income generating activities was called for.

Land reform as a means to reduce poverty has not altogether disappeared from the land reform agenda, however. In April 2006 Cabinet approved the recommendations, strategic options and action plan on land reform submitted by the Permanent

Technical Team on Land Reform. These included recommendations that the action plans of national programmes such as V 2030, the National Poverty Reduction Programme and NDP 2 (sic) 'should specify quantifiable indicators and targets relating to poverty reduction, employment creation and income distribution in the short term' and that government should improve the screening and selection of beneficiaries by 'determining whether current criteria are socially, economically and politically appropriate'. In addition,

Urgent attention should be given to the priorities of those groups urgently in need of resettlement. Policy should, as matter of urgency, take into account the priorities of disadvantaged groups in need of resettlement, such as farm workers and women...Policy amendments should encourage community driven resettlement, giving priority to beneficiaries who indicate a preference for rural, agriculture-based lifestyles and who have agricultural experience and/or other land-based production experience (RoN 2006b: 2).

It is not known whether any actions have been taken in accordance with the Cabinet decision and whether the decisions will eventually put pro-poor land reform more firmly on the agenda.

Amidst concerns about poverty alleviation through increased access to land, it is not clear what the expected impacts of land redistribution on poverty are expected to be. The situation is exacerbated by the absence of realistic and unambiguous targets for land redistribution. To be sure, both National Development Plans set out targets for land acquisition and in terms of those the MLR exceeded these targets over the last ten years. But these targets for redistribution are far too low considering official estimates of people in need of land. The original National Resettlement Policy (RoN 1997: 1) estimated that the number of people who were 'unemployed, landless and homeless' and thus 'eligible for resettlement' to be 80,000 in 1997. This figure was adjusted upwards to 243,000 people (40,500 households) in 2001 (RoN 2001: 2). It is not clear how these figures have been arrived at as no assessments have ever been carried out to determine what the specific needs of people were and how many people really wanted to work in the agricultural sector. The General Secretary of the Namibian Farm Workers' Union expressed the view that most young people, for example, prefer to live and work in towns rather than on the land (Hunter 2004c: 111).

The target for NDP 2 (2001/2002-2005/2006) was to resettle 36 families per year or 180 over the five year planning period (RoN n.d.: 247). These targets are modest by any standards. This was acknowledged by Cabinet during its annual retreat at the end of 2000 when it recommended that in order to prevent a backwash effect from other countries – a reference to developments in Zimbabwe - the redistribution of land had to be accelerated. It therefore proposed that a minimum of 9,552,072 hectares of land was to be acquired by 2005 (within 5 years of the retreat) for resettlement. At an average price of N\$ 250 per hectare this would have required N\$ 1 billion. The hope was expressed that foreign partners would provide financial support (New Era 22.12.2000-12.1.2001). Significantly, this recommendation was not implemented.

Equally significant was the fact that SWAPO adopted the NDP 2 targets of 36 families per annum in its Election Manifesto 2004, rather than the more ambitious Cabinet recommendation (SWAPO 2004: 15). More recently, the Permanent Technical Team on Land Reform (PTT 2005a: 22) recommended to Cabinet to increase the target for land acquisition to 15 million hectares by the year 2020 amounting to 1 million hectares per annum over a 15 year period. Cabinet did not include this recommendation in its approval of the recommendations of the PTT in April 2006.

The only sign that government wanted to accelerate land acquisition and redistribution was that it increased the annual budget amount set aside for land acquisition from 1995-2001 from N\$ 20 million to N\$ 50 million per year. This followed a resolution taken by the SWAPO Congress in 2002 (Ibid: 15). Although no data exists to this effect, it must be assumed that much of this increase compensated for inflation and land price increases since 1995 when the initial N\$ 20 million was approved. The net effect in terms of acquiring more land faster was likely to be rather modest.

## **9.2 Livelihoods after land reform - FURS**

The ACLRA stipulates that allocated farming units have to be used solely for 'agricultural purposes and purposes ancillary thereto'. Deviations have to be approved by the Minister. Livestock farming is the main agricultural activity practised by land reform beneficiaries. A survey carried out in 2004 found that only 27 per cent of households produced crops, 'mostly in little garden patches for their own consumption' (PTT 2005b: 49). According to one survey, the 87 per cent of resettlement beneficiaries were predominantly livestock farmers (Kruger et al 2005a: 29).

However, for 71 per cent of beneficiaries and their households off farm incomes constituted the main source of income. In 2004 the contribution of off-farm income to beneficiary household income ranged between 55 per cent and 100 per cent (PTT 2005b: 49). Sixty-nine per cent of beneficiaries either had jobs or businesses and did not regard farming as their main occupation. Forty-five per cent of those interviewed were wage earners while 12% were self-employed (PTT 2004: 5). Of those in wage employment, three quarters were government employees based mainly in Windhoek (Ibid: 7). The nature of beneficiaries spanned the entire spectrum from poor people to newspaper distributors, Permanent Secretaries and Governors. The majority however, were employed in clerical positions. The PTT study commented that the 'clear dominance of public employees as beneficiaries implies that a possible information advantage about resettlement is with people working for government...Potential beneficiaries from outside the public sector clearly are at a disadvantage' (Ibid).

The majority of land reform beneficiaries had access to these off-farm sources of income before they were resettled (Schuh et al: 117). In these cases, therefore access to off-farm income cannot be interpreted as a response to difficult farming conditions. Farming on redistributed land for many beneficiaries was additional to wage and other employment, rather than the other way around. Only 31 per cent of beneficiaries regarded farming as their main occupation, and a mere 45 per cent stayed on the farms permanently while the main beneficiary was working town. Fifty-five per cent of households stayed mostly in urban areas. Most of those in wage employment – 78 per cent - visited their farms only once a month. In their absence, family members and farm labourers stayed behind to look after the farming (PTT 2004: 5).

The average income of beneficiaries in wage employment was N\$ 5,591 with a modal income of N\$ 4,000. The lowest income was N\$ 200 per month and the highest N\$ 25,000, and the average off-farm income was N\$ 51,000 per annum (Ibid: 9). The PTT concluded from this analysis that

Most beneficiaries could thus be classified as lower-middle income households and not necessarily as poor...These results suggest that not much poverty alleviation will occur if people with established incomes are resettled (PTT 2005b: 49).

### 9.2.1 Viability and minimum farm size

Minimum farm sizes and the viability of current land reform models remain a contested issue. The major determinant of a sustainable farm size was whether it would be economically viable in a commercial sense. The National Land Policy was clear on this point when it stated that the subdivision of large scale farming units should be conditional on the 'maintenance of farming units of an economically viable size' (RoN: 1998a: 16). The determination of what was considered a viable unit was to the Land Reform Advisory Commission which was established in terms of the Agricultural (Commercial) Land Reform Act. The LRAC is made up of stakeholders from various sectors and line ministries. On the face of it, having left the determination of minimum farm sizes to the LRAC reflected an acknowledgement that the determination of minimum income levels to be obtained from farming units was not simply a matter of economics. To be sure, 'there is a cut-off point below which a piece of land cannot be farmed on economically viable basis', but 'any size above this absolute minimum depends on the income expectations people have'. 'Economic units' therefore have to be negotiated by all stakeholders (PTT 2005b: 22). It is reasonable to state, however, that the potential for livestock production was the sole criteria in determining minimum farm sizes.

Currently, the MLR has accepted minimum farm sizes of not less than 3,000 ha in the arid south of the country and no less than 1,000 ha. in the northern half for farm unit resettlement. The minimum targeted income to be earned by beneficiaries was at least N\$ 15,000 per annum, an amount laid down by the National Planning Commission in the early 1990s as the minimum necessary to survive. Although it is not clear how this amount was arrived at – it amounts to approximately US\$ 0.5 a day (US\$ 1= N\$ 7) – it was used by the Farming Unit Advisory Committee of the Land Reform Advisory Commission to develop scale model for farming units in 1998 (RoN 1998c).

Organised agriculture on the other hand favours large scale farms. This reflects a perception shared by a substantial number of black and white Namibians, that small-scale farming is not viable. The Namibia Agriculture Union argued that farming was a business like any other enterprise in the economy and that resettlement models should be looked at in this way. It proposed to use the criteria of medium enterprises as a benchmark for identifying the minimum sizes of farm units. A medium enterprise (excluding manufacturing) was defined as having a turnover of N\$ 1million and no more than 10 employees, whilst the capital engaged was less than N\$ 500,000 (NAU 2003: 54). More recently, the NAU recommended that 500 large stock units (LSU) be regarded as an operational unit, hence as viable. This required farm sizes ranging from 5,000 hectares in the best grazing areas to 8,000 hectares. Only those farmers owning in excess of 2 operational units (i.e. 10,000-16,000 hectares) should be encouraged to offer their land for redistribution (NAU 2005: 9).

It has been shown, however, that small-scale farming units can be economically viable. A study carried out in 2003 found that small-scale cattle farmers on 1,000 ha allocations could earn a potential annual income of N\$ 27,000. Farming with sheep on a 3,000 ha unit in the more arid southern regions potentially yielded an estimated annual income of N\$ 99,000 compared to N\$ 11,000 for goat farming (GFA 2003: 14; Annex 5). These gross margins do not include depreciation and investments.

Such levels of annual income were only possible under certain conditions. A fundamental condition was that farmers were able to utilise their farming units to the full. In addition, the success of the current small-scale model depended on the following:

- Beneficiaries must either own enough livestock or have the financial means to acquire some.

- Unless beneficiaries have sufficiently large herds to utilise the unit fully, they must have access to off-farm income or other capital to finance their cash needs before the production system starts to produce a surplus.
- Beneficiaries should have experience or at least the potential ability to manage medium terms enterprises (like a 1,000 ha farm) (Ibid: 14).

The calculations above have not factored in the risks associated with farming in an environment where rainfall is both unpredictable and unreliable. Major fluctuations in income and expenditure over time must be expected (Schuh et al 2006: 115). Moreover, the small size of farming units coupled with the need to utilise them fully in terms of stocking rates, deprives small-scale farmers of the opportunities to practice flexible range management. According to the PTT (2005b: 100), 'such strategies are important in mitigating the impacts of drought on the grazing areas, livestock and ultimately people'. Access to capital in the form of substantial own reserves or credit will make beneficiaries more resilient but enabling them to buy enough stock to utilise their farms fully and to withstand shocks. Thus, 'the profitability and robustness of a farm of a given size depends partly on the support services available to farmers (both financial and technical) and minimum farm size cannot be determined independently of institutional environment' (Schuh et al 2006: 113).

The discussion above suggests that there may be a mismatch between concerns for the poor and the current small-scale farming settlement model. The majority of poor people are not likely to bring all the required skills and assets into the process to sustain them on the land. As the following section will show, many beneficiaries have not been able to utilise their land to the full and sustain themselves only by having access to alternative income sources.

### **9.2.2 Livestock farming**

Currently, farm sizes are not the most pressing constraints of most land reform beneficiaries. Instead, the main issues are that beneficiaries have not been able to build up their herds to a level which their farms can support and, where they had enough livestock, the whole farm could not be utilised due to a lack of functional water points on parts of their farms (Schuh et al 2006: 112).

Available data confirms that most beneficiaries were not able to fully use their land, despite the fact that the average land reform beneficiary had doubled his/her livestock over a period of approximately 3 years (PTT 2005b: 50). This occurred with very little, if any, assistance from government or other institutions. The average beneficiary moved onto a resettlement farm with 28 cattle, 51 sheep and 67 goats. At the time of the survey in late 2003, these figured had increased to 51, 75 and 84 respectively. Some interviewees stated that the accumulation of livestock was possible because they had better access and control over their land than in the communal areas (PTT 2004: 10-11). The extent of underutilisation is illustrated if it is assumed that the average stocking rate in the cattle farming areas is approximately 15 ha per large stock unit (350 kg). A 1,000 ha unit would thus be able to support about 70 LSUs. The most important reasons for low livestock numbers were that beneficiaries lacked capital to buy in livestock and that livestock productivity was low due to drought in recent years (Schuh et al 2006: 115).

Little production or revenue was observed. In 2004 only 52 per cent of all resettled households reported revenues from cattle production, with the corresponding figures for sheep and goats having been 42 per cent and 78 per cent respectively (PTT 2004: 12). Off-takes were found to be very low, although the PTT figures are not consistent. The 2004 report calculated average off-takes as 17.5 per cent for cattle, 42 per cent for sheep and 18 per cent for goats (Ibid: 15), while in the published

report (PTT 2005b: 51) the rates are 9 per cent, 18 per cent and 11 per cent respectively, which suggested subsistence-level production.

The reasons identified by the PTT survey for this low output included that farming was merely a supplementary activity to pensions, remittances etc.; that beneficiaries were building up herds and a drought in 2003 (Ibid).

To summarise: the PTT found that farm production was disappointing and that the average beneficiary struggled' (PTT 2005b: 49). Gross margins for livestock sales of households who marketed their livestock were N\$ 6,799 in 2003, 'far lower than the decent living income level proposed by the National Planning Commission (N\$ 15,000 p.a. for a household of five people)'. This suggests that the average household was not able to subsist from farming alone and needed off-farm income. Moreover, the impact on overall poverty reduction would remain limited, if people with established incomes are resettled (PTT 1995b: 50).

Some of the reasons for poor performance have to be sought in the almost complete absence of post settlement support. This will be discussed in section 7.

### **9.2.3 Farm labour**

The impact of land redistribution on aggregate poverty levels is further compromised if the fate of farm workers is taken into account. Only very few farm workers benefited from land redistribution. In the absence of any reliable data, it must be assumed that the majority of workers on farms bought by the state for redistribution had to leave. This implied a loss of employment without compensation.

At present no integrated plan exists to accommodate farm labourers within the wider framework of land reform and rural development. The issue of farm workers presents government and land reform in Namibia with a difficult problem. If land acquired for redistribution is allocated to farm labourers currently employed on these farms, it is likely that sustainable redistributive land reform will not put more people on freehold farms than the agricultural sector is currently employing. It must be borne in mind that approximately 1,000 ha of freehold farmland is supporting one farm worker and his dependents at present. In terms of resettlement guidelines laid down by the Land Reform Advisory Commission, settlers should be allocated at least 1,000 ha of grazing land in the central and northern cattle ranching regions of the country, and not less than 3,000 ha in the more arid south. If, however, farm workers are evicted in favour of new settlers, government would be solving one problem by creating another one: large numbers of unemployed farm workers. This suggests that the potential of redistributive land reform to reduce poverty significantly is severely limited.

Resettlement is expected to increase employment through farming (RoN 2001). The PTT survey revealed that 57 per cent of beneficiary households employed between one and two labourers, while one third relied on family. The average number of labourers employed by households was about 1, suggesting that no additional labour was created through resettlement in view of the fact that the on average 1 labourer was employed on every 1,000 ha. in the freehold sector. Available evidence also suggests that labourers employed by resettlement farmers were on the receiving end, as the average wage paid was below the minimum wage required by law. Where food rations were provided, these on average also were slightly lower than the legal requirements. The reasons provided for this state of affairs was that beneficiaries were just beginning to farm and could therefore not be expected to pay high wages, and that workers did not provide a full day's work because of a lack of constant supervision (PTT 2004: 20-22).

The data also suggests that most beneficiary households cannot be categorised as typical family farms. Most appear to depend on supervised wage labour for agricultural production.

### **9.3 Livelihoods after land reform - AALS**

Little socio-economic data is available on beneficiaries of the AALS. The most recent study (Schuh et al 2006) interviewed only 4 beneficiaries, hardly enough to draw any conclusions. However, most beneficiaries appear to face serious difficulties in repaying their loans (National Assembly 2004a, PTT 2005b). The Legal Assistance Centre reported in 2005 (LAC 2005: 28-29) that over two thirds of beneficiaries were in arrears with loan repayments in 2004. Schuh et al (2006: 148) report that this figure may have increased to 50 per cent in 2006.

Several reasons have been identified that may have contributed towards these difficulties. Inflated land prices most certainly play a role. Market prices for agricultural land have invariably been much higher than the reasonable production value of land. NAU (2003: 62) estimated that the fair agricultural potential value of the Agribank was ranging between 60 per cent and 80 per cent of the market value in the large stock farming areas. Several factors have contributed to this, including the possibility that land owners may have added a premium to the land to provide retirement income (Schuh et al 2006: 148). The high demand for land also put upward pressure on land prices (National Assembly 2004a:21). This demand was fuelled by potential AALS buyers. The PTT (2005b: 47) stated that the demand for AALS land was probably higher than the supply.

With market prices being higher than the fair agricultural potential value, any farmer would be hard put to service a loan for the full purchase price of the farm through agricultural production alone. The position of many AALS beneficiaries was compounded in that they did not have enough livestock to utilise their commercial farms fully. Instead of building up their herds, many had to sell livestock to service their loans. LAC (2005: 29) stated that by year 8 many beneficiaries had consumed the capital they accumulated during the grace period and were unable to repay their loans. Part-time farmers stood the best chance to make regular repayments by utilising income from off-farm income source such as employment in towns.

## **10 Problems**

### **10.1 Factors contributing towards slow pace**

The Ministry of Lands and Resettlement and other stakeholders have identified a number of factors that have slowed down the land reform process in the past decade. In its review of the achievements and constraints during the NDP1 period the MLRR has identified three main problems regarding the implementation of certain provisions of the ACLRA:

- Inflated land prices. These were ascribed to the willing-seller / willing-buyer principle, which provided some land owners with an opportunity to inflate prices.
- Low quality of farms offered to government for acquisition; and
- Lack of a credited valuation institution and prolonged negotiations with sellers (RoN n.d.: 245).

More generally, the Ministry cited the absence of agro-ecological zones as a major hindrance in developing a national land use policy and legislation. Others have criticised the process for land acquisition and allocation as being too cumbersome

and too long. More specifically, the willing-seller / willing-buyer principle has repeatedly come under fire for being too slow and not delivering land of sufficient quality fast enough. Against this, however, Haiping (2003: 47) argued that other factors had more to do with slow land delivery than the duration of the process.

These included

resettlement models, lack of sufficient trained staff members in the Ministry, and the rehabilitation of acquired farms as well as co-ordination among various divisions and stakeholders...The actual resettlement of people takes longer after the selection has been made. A farm can remain unoccupied for up to two years after it has been acquired. The group and project models have been identified as being ineffective because of a lack of training among the settlers, lack of proper direction from MLRR, lack of monitoring and supervision, lack of qualified project managers from MLRR as well as the fact that these settlers do not choose what they want to do. It is possible that the lack of ownership also contributes to the ineffectiveness of these models (Haiping 2003: 47).

This set of constraints contributed to the inability of the MLR to spend the total amount budgeted for land acquisition. It frequently had to return 'large portions' to Treasury, as Table 5 illustrates. At the same time, the budget allocated to the process of resettlement has been insufficient (RoN n.d.: 245).

**Table 5: Budgeted and actual expenditure on land purchases (N\$ million)**

	'96/97	'97/98	'98/99	'99/00	'00/01	'01/02	'02/03	'03/04
Resettlement								
Budgeted	19	20	20	20	20	20	20	20
Actual	19	12	11	4	20	25	n/a	n/a

Source: Sherbourne 2004

## 10.2 Willing seller-willing buyer principle

A consistent explanation of the slow pace of land reform is that freehold farmers are not offering enough land to government for acquisition. Moreover, government avers that much of the land offered to government was of poor quality and not suitable for resettlement.

Unlike South Africa, Namibian legislation provides government with a right of first refusal on any commercial farm land that is brought onto the market. In terms of this provision, any prospective seller of a farm is compelled by law to offer his/her farm to the Ministry of Lands and Resettlement first. Only after the Ministry has issued a waiver can a land owner offer his/her farm on the open market. If the Ministry shows an interest to acquire a farm, the owner and the government enter into negotiations about the price. However, if the owner is not satisfied with the Ministry's offer, he/she can no longer withdraw his/her land and the issue must be decided by the Lands Tribunal. This aspect of the land acquisition process has been widely criticised by land owners and may have led to farmers having become more hesitant to offer their farms to government. But there is little evidence to suggest that the land market has contracted to an extent that it offers less land than the MLR can reasonably acquire and process. The availability of land on the open market is attested to by the number of farms that were acquired under the AALS.

Indeed, competition from AALS buyers and government's attempts to balance their interests with those of farm unit resettlement beneficiaries led to serious problems for the MLR to acquire enough land of acceptable quality for its resettlement programme. A decision was taken by the MLR to exempt farmers who wanted to sell their land to AALS buyers from the legal requirement of first offering land to the MLR. Where AALS buyers showed an interest to buy a commercial farm, he/she negotiated the price with the seller. Once a price was agreed the proposed sale was submitted to Agribank for appraisal. In the event that Agribank approved the application for an Affirmative Action loan, the approval was forwarded to the Ministry of Finance to issue a state guarantee for the loan. Finally, the application was submitted to the MLR, which issued a certificate of exemption (Republikein 17.7.2003).

Commercial farmers preferred sales to AALS buyers to offering their farms to the MLRR. With regard to the former, they have a lot more freedom to negotiate a selling price with the buyer, and are able to withdraw their offer if no agreement can be reached. Moreover, once the formalities had been concluded, payment was swift. Once offered to the state, however, commercial farmers could not withdraw their offer if they were unhappy with the valuation of their properties and consequent price offered by government. Although the ACLRA provided for a Land Tribunal to deal with such cases, farmers were hesitant to make use of this route, as it was not clear how long such hearings would take. Moreover, they were expected to pay their own legal costs.

Commercial farmers who intended to sell their farms approached estate agents with the request to find an AALS buyer for them. The number of potential AALS applicants far outstripped the supply of farms. In 2005 one estate agent had well over 300 previously disadvantaged Namibians on his books, waiting for a suitable farm to buy. All of these potential buyers had satisfied the financial qualification criteria laid down by Agribank and would therefore have qualified for an AALS loan.

Competition from ALLS buyers also affected the quality of land offered to the MLR. The poor quality of some of the land offered may help explain the large number of waivers issued by the MLR.

Harring and Odendaal (2002: 52) stated that by 2001, 759 farms had been offered to MLRR. Five hundred and five of these were turned down to be sold privately. Government showed interest in 254 farms since 1991 or about one in three farms put up for sale, but purchased only 97 or 13 per cent.

This trend seems to have continued in more recent years, as Table 6 below suggests.

**Table 6: Farms waived and bought by MLRR: 1999-2003**

	1999	2000	2001	2002	2003
Farms waived	142	118	96	102	125
Farms bought	6	16	24	8	15
Farms bought as % of farms offered	4%	12%	20%	7%	11%

Source: Sherbourne 2004: 6

Reasons provided by the Ministry for such a low percentage having been purchased include:

- unsuitability of land for resettlement, due to rockiness, bush encroachment or poor infrastructure;

- size too small;
- price restrictions; and
- unsuitable locations (Harring and Odendaal 2002: 52).

Harring and Odendaal rightly draw attention to the fact that this state of affairs raises serious questions about land reform in Namibia, particularly in view of the fact that such a large proportion of land seems to be too degraded to be useful for resettlement (Ibid).

The question will be asked whether the reasons advanced by the MLRR are valid and legitimate or not. The answer is that to a large extent they are. The reason for making this statement is that the MLRR is competing with AALS farmers for the best land in the freehold sector, in the sense that its privilege of enjoying the right of first refusal as provided for by the ACLRA is being waived where previously disadvantaged Namibians want to acquire land under the AALS.

Although hard data is difficult to come by, circumstantial evidence suggests that this demand together with the fact that AALS farmers could buy freehold farms at subsidised interest rates are asserting upward pressure on the price of land. It is recommended that land prices and the factors that shape them be analysed in more detail. This should an assessment of how existing policies on taxation, agricultural protection and various direct and indirect subsidies influence land prices.

### **10.3 Lack of post-settlement support**

Initial financial analyses have shown that small-scale farming can be profitable where farmers have well developed management skills and are able to utilise their farms fully. Schuh et al (2006: 113) found that 'it is probably the case that only a small minority of resettled stock farmers have both a high level of skills and high capacity utilisation'. The report underlined the importance of providing assistance to resettled farmers 'to enable them to move into the "high management, high capacity" situation'. Following Kruger (2004: 31), the PTT (2005b: 101) suggested a number of conditions needed for improving livestock production and rangeland management on resettlement farms. These conditions included secure tenure of land and grazing; sufficient competence of farmers; strong and well-functioning community-based structures; sustainable off-take of livestock; maintenance of farm infra-structure; application of proper livestock husbandry practices; application of appropriate breeding and selection practices; improvement and maintenance of livestock health; flexible and adaptive rangeland management systems; and access to credit.

A survey carried out for the PTT (Kruger 2004: 22) found that 65 per cent of beneficiaries had more than 10 years practical farming experience, but not in a commercial environment. Against this background a joint initiative by the Namibia Agriculture Union and the Namibia National Farmers' Union commissioned two studies into the training needs of beneficiaries of the FURS and AALS (Kruger et. al.: 2005). Table 7 below provides a summary of the technical, financial and practical competencies of resettled farmers, as assessed by themselves. Nearly half of all farmers interviewed indicated that they had poor to very poor technical knowledge about livestock farming, while more than one third rated their knowledge and skills about financial management as very poor to poor. Practical skills were rated as poor to very poor by nearly three quarters of respondents. This clearly indicates the huge need for training and capacity building to settlers.

**Table 7: Self-assessed knowledge of resettled farmers, 2005**

Topic	Very Poor	Poor	Moderate	Good	Very Good
<b>Technical Skills</b>					
Breed characteristics	10	21	36	23	7
Breeding programmes	13	19	36	16	14
Animal health	21	29	24	10	13
Marketing processes and cost calculations	23	19	26	14	16
Grading of livestock and skins	47	19	13	9	9
<b>Financial skills</b>					
Farm budgeting and cash flow	23	14	34	19	6
Financial management	33	19	23	14	9
Financial record keeping	11	9	30	29	16
<b>Practical skills</b>					
Basic tractor and implement management	44	10	9	16	16
Motor mechanics	56	10	20	6	4
Electricity	56	13	17	1	6
Welding	73	9	6	1	6
Building construction	59	13	9	6	9
Fence making	30	16	19	17	14
Maintenance of water supply	53	10	9	10	10

Source: Kruger et al 2005: 32

Based on Kruger (2004) the PTT (2005b: 50) has identified poor livestock production management as one reason for poor financial performance of land reform beneficiaries. The absence of vital breeding principles such as animal selection and the introduction of new blood lines were found to have impacted negatively on herd productivity. The application of improved livestock husbandry and adaptive and flexible rangeland management practices are necessary if beneficiaries want to farm profitably by utilising their farms at optimum levels. Table 8 reflects results on the perceptions of farmers regarding the application of some of these practices (Kruger et. al. 2005: 38).

Individually applied husbandry practices like dehorning, castration, parasite control and lick supplementation seem to be common practice amongst beneficiaries. The application of these husbandry practices does not require cooperation and consultation with other settlers on the farm. Rotational grazing however seems to be the odd one out. Application of breeding and weaning practices however requires sufficient camps, infra-structure and cooperation from other settlers on the same farm and seems to be lower than the individually applied practices.

**Table 8: Animal husbandry practices amongst FURS farmers, 2005**

Farming practice	Frequency (n=70)	Percentage (%)
Rotational grazing	59	84
Weaning seasons	48	69
Breeding seasons	25	36
Buy in breeding stock	6	9
Parasite control	68	97
Lick supplementation	64	91
Castration	68	97
Dehorning	58	83

Source: Kruger et al 2005: 38

More than 90% of resettled farmers indicated that they did not belong to any farmers' organisation and had not benefited from such an organisation at all. Where more than one family is settled on a commercial farm previously managed as a single unit, a number of difficulties may occur. Without management structures on the farm where all parties are represented, resources (water, grazing, and infra-structure) on the farm will be utilised in a fragmented manner (Kruger 2004: 32). Water deficiencies on resettlement farms are in most cases the result of poorly maintained water infra-structure (PTT 2005b: 102). People seem to lack the ability to maintain their own infra-structure and are to a large extent still dependent on government support.

The shortage of important farm management skills was exacerbated by other problems experienced by beneficiaries. Lack of capital, tenure insecurity, the lack of agricultural extension services and unreliable water points were some of the issues identified by recent studies.

The resettlement programme does not provide beneficiaries with any financial support in the form of grants or subsidised credit. Farmers therefore have to rely on own financial reserves and their ability to obtain credit to finance operational costs as well as investments in livestock and infrastructure. However, access to credit for most beneficiaries was negligible (PTT 2005b: 53; Schuh et al 2006: 118). Part of the problem lies in the fact that although land legislation provides for 99-year lease agreements to be registered over allocated land, no lease agreements have been registered in the Deeds Office so far. This in turn is linked to a critical shortage of land surveyors and budgets to provide survey diagrams required by existing Deeds registration. The situation was easier for those in employment some of whom were able to obtain credit against collateral other than their land. It also known although not documented with hard data, that pensioners are using pension money for farming operations.

Tenure insecurity was identified by most beneficiaries as a problem. Although the vast majority of resettlement farmers indicated that government gave them permission to occupy the land, less than 30 per cent could provide any written proof. Very few were able to provide a signed, valid contract from the MLR. Although more than 80 per cent of settlers indicated that nobody else can use their land without their prior consent, numerous examples were given where powerful and well connected people invaded grazing land without consent of the settlers (PTT 2005b: 101).

Agricultural extension services were also ineffective or non-existent. Due to the fact that a majority of beneficiaries are part-time farmers, providing extension services is problematic. Where beneficiaries had contact with agricultural extension officers, 62 per cent stated that this was primarily about stock control (Ibid: 53). Only 14 per cent had attended agricultural training courses (Ibid: 54).

Problems of water supply were identified as a major constraint on agricultural production in a recent study (Schuh et al 2006: 122). At one level, this may be due to the fact that large scale commercial farms were planned for central management and infrastructure developed accordingly. After sub-division, many beneficiaries obtained portions of farms which did not have their own water. In some instances, they did not have any water at all. However, in other instances boreholes, pumps, windmills and other infrastructure was in poor working condition when beneficiaries moved onto the land, despite an undertaking by the MLR to rehabilitate such infrastructure fully before settling people on the land (PTT 2005b: 51).

## **11 Conclusions**

After 17 years of land reform, many challenges remain. The pace of redistributing freehold land is regarded as too slow by many people. Blame for this is put largely on the 'willing seller – willing buyer' principle. It was argued above, that this may not be the only reason, and certainly too simplistic to account for the slow pace. Targets for land redistribution are very low, considering official figures of people in need of land. This raises questions about the politics of land reform, and more specifically, whether the land issue is as central to the overall development trajectory as political rhetoric suggests.

Arguably, the acquisition and distribution of land is the easiest part of land reform. An informal think tank on land reform reminded us that 'redressing gross racial imbalances in land ownership and access is one thing; recreating sustainable livelihoods on the land is infinitely more difficult' (Informal Think Tank 2003: 6). Available data verifies this assertion. Against the background of little if any post settlement support a majority of beneficiaries appears to be struggling on the land allocated to them. Many were said to be farming at subsistence levels, unable to access credit, information and knowledge to improve their farming. Post-settlement support and services for FURS and AALS beneficiaries has emerged as the single most important constraint preventing beneficiaries from deriving full benefits from their land.

The discussion also suggests that the current model of resettlement on small-scale farms may not be appropriate to accommodate and support the poor. If land reform is expected to play a prominent role in government's efforts to reduce poverty, alternative forms of land utilisation have to be developed. Such models could include the establishment of range management areas to be used on a group basis by grazing associations (Adams 2001: 6). A reassessment of the feasibility and desirability of extending communal areas for the benefit of marginalised small-scale farmers may also be called for.

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