

**Land Settlement.**  
**Government Facilitating a Peoples' Process.**  
**Lessons from Zimbabwe and Rights Issues in South Africa.**

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**Abstract**

The chaos surrounding land re-distribution and re-settlement in Zimbabwe follows on state denial and even open hostility to a number of people driven reforms. This covered irrigation settlement, access rules, pricing and management; District Planning, budgeting and land and member re-organisation and rights; communal wildlife integration; and land resettlement under a regional and national (Association of District Councils) proposals.

In each case the state, often the President, moved to stop fundamental reforms that would have produced autonomous rural communities with considerable financial competence. Nothing that disturbed party or state ability to patronise and to manipulate the countryside was tolerated although the reforms were also praised and used for ZANU electioneering purposes.

Most of the proposed reforms required a re-definition of village membership from a defunct right to a free good, land, to equal adult (men and women) democratic ownership of an asset holding and managing body. This reform is the most fundamental yet to come out of Africa: it acknowledges the structural shift from land abundance to land shortage, an ignored piece of history and of policy analysis.

A new government in Zimbabwe will probably pick up the national dialogue from these reforms. The UN Country Team's Relief and Recovery Plan for Zimbabwe, August 2001, does much the same and has the support of the MDC.

The paper also reports a similar exercise of reflection and of planning carried out by 121 villages within the Lubisi Dam Development Forum in the Eastern Cape in 1998/99. This is the most complete rural programme yet devised in South Africa, both internal membership, access, pricing, investment rules but also regional economic development and the means for the state and business to financially partner reform communities in investment, production, regional trade, service delivery and intra-district transport.

The right to equal ownership, to open but competitive access to productive resources, to working local economies, to membership of powerful investment bodies within and on new land bases and in cities by reform communities are profound developments awaiting more formal support. It is altogether a rights driven programme that opens up economically and financially efficient forms of partnership with the state and business.

The Preamble to our Constitution records our commitment to the attainment of social justice and the improvement of the quality of life for everyone. The Constitution declares the founding values of our society to be "human dignity, the achievement of equality and the advancement of human rights and freedoms." These people created and centered reforms lay the foundation for the achievement of the nation's basic goals. They also require the restoration of working local economies to our dual, global and marginalised, economy and society model.

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## **1. Rethinking Rural Administration: A Long Denial of Learning, A Dismal Record of Poverty Making**

The economic history of Zimbabwe is correctly seen as that of the regulation of black participation in the economy. It is usually interpreted in terms of racial exclusion and of capitalist penetration of the economy.

Since Independence, racial exclusion has not been a central economic issue. It became a political issue for reasons of populist politics, which included land, and because the central reform issues in the countryside were left largely unattended.

Capitalist penetration of the economy cannot account for the State's attitude towards rural people which has kept them in thrall to the state both before and after Independence. Most administrative and economic systems have continued unchanged. The citizens need a new explanation as to why the countryside, the Communal Areas, is unable to equip itself with effective self-managed economic institutions.

The British South Africa Company, which colonised Rhodesia at the end of the 19th century, was a mercantilist device, a Royal Charter Company. The shift from Church dominance of the mediaeval system to State authority under mercantilism occurred through the technical innovation of long distance trade. During the mediaeval period the Lord of the Manor controlled the market place and often set prices. Son followed father in occupation and, consequently, the economic system was static, looking to the church for moral and intellectual leadership.

The society and economy of both Mediaeval Europe and pre-colonial Africa were agriculturally based with little except very local trade. To predict the future was to invite danger: it could be construed as heretical.

To realise the revenue potential of long distance trade, the state provided privileges to trading companies. This included naval protection for company vessels and allowed "Charter" companies to form militia.

As the last Royal Charter Company, operating from the 1890's, the British South Africa Company was comprised of Englishmen who were not mercantilists themselves. By then England had reformed the civil and economic rights of its citizens, resulting from the long struggle between Parliament and King.

The Companies Act of 1862 extended citizens' right to enter into economic occupations without State licence. The GDP of England doubled in the short period between the mid-1860s and the end of the century. In Rhodesia, when the promise of minerals disappointed, the servants of the Company insisted upon the same liberal rights their fellow Englishmen had long enjoyed. Members of the British South Africa Company became settlers, demanding and gaining their own settler government.

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The settlers used their legal and economic rights to prevent black competition in the market, especially with agricultural produce. They became mercantilists. As happened during the long mercantilist era in Britain, a privileged group enjoyed access to economic power while the mass of the people were treated as feudal vassals. Under Feudalism, the local nobility and agents of the state closely control their vassals to protect them from themselves. Like a Feudal nobility, a knowledgeable elite in Rhodesia attempted to control the mass of the people. In Independent Zimbabwe the racial division between elite and masses has been replaced by one of class.

The rural areas retained a tribal feudalistic economy, although this economy was now directed by the white economy and colonial infrastructure. Rural people were controlled through a colonial "contract" under which blacks paid taxes to cover the cost of being policed. This new system closely resembled contracts in feudal Europe and in other centralised mercantilist States, like India prior to and under the British Raj. They were never to be a direct cost to the state. Today that same negative view holds with the poor – they are to be avoided if they become a cost. Poor people are not treated as assets to be husbanded.

A recent World Bank survey of Africa records the great failure thus far to look into the relationships, the values, the ways of mobilising people through programme and institutional development. It states, "The most lamented crisis of capacity building in Africa is more a crisis of institutional capacity than a crisis of technological capacity in terms of skills, methods and technology"<sup>1</sup> To build institutional capacity is to discover the new rules of the new game to be played post-independence.

It is worth noting here that Zimbabwe escaped the demands of a demanding Constitution. It has done little to find the new rules because it has not sought to define, rather it has avoided anything that smacked of the new game. Not so South Africa. South Africa's Constitution specifies that there will be a new people driven development process. It does not specify the rules by which that "new game" is to be played. These rules have still to be discovered, mainly by doing and no doubt by legal challenge. It is a time of high developmental tension that is centring increasingly on the fundamental right, to live in dignity.

In both countries, the promise of political liberation is in urgent need of a pathway to economic and civic participation. The official fear of the poor as "a cost", to be ignored if possible, has to give way to people treated as unique assets to be husbanded into positive values.

In both countries administration evolved over many years as a hierarchical system servicing the colonial need to control people and to tax them to pay for that privilege. It grew on the back, so to speak, of Utilitarian thought which dominated the 19<sup>th</sup> Century virtually up until today.<sup>2</sup> It has supported the cultural arrogance of colonialism and the

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<sup>1</sup> Africa's Management in the 1990's and Beyond, World Bank, 1995

<sup>2</sup> Jeremy Bentham's (1748–1832) philosophy, called utilitarianism, holds that all human actions must be judged by their usefulness in promoting the greatest happiness for the greatest number of

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intellectual certainties of many of the centrally directed actions; from Marxism to Apartheid, to Mugabe's populist arrogance, to today's US military posturing.

Utilitarian thought lies squarely behind the ruination of the Indian village in the short period between the advent of British land administration, the 1840s and 1850s, and the first Royal Commission on "Poverty, Indebtedness and Landlessness" of 1886. (This parallels the demise of the Xhosa village system in the Eastern Cape under Zulu and British land and labour seeking). Joint tax liabilities, the moneylender as a village servant and other mutual devices held the village together in a not very romantic but working "Village Republic". This is the counterpart of Ubuntu in Africa but in long monetised trading regions with central authorities.

The British deemed the feudal Indian village "unscientific" and crude. Instead, it sought to place every farmer in the eye of the Raj by a massive and ultimately corrupt registration of every field for tax purposes. This so atomised the farmers, now as individual taxpayers, as independent units of production that it left rural society open to greed and left the village virtually without local governance. (Do see "Lagaar", "the Tax", a grand cricket film set in Gujarat in a Principality where villages escaped the Utilitarian reforms). The moneylender left the village to become part of a larger Mawari trader financed money-lending operation that used fields as security and placed debt beyond social control.

The long tragedy of the hold of Utilitarian thought has meant that India has yet to fully explore this colonial "digression" from its own history. Nehru had two strains to his intellectual thinking. As a Brahmin he acted as if he and central planning could ordain how people behaved, how institutions operated, how economies performed. His Fabianism gave India the path of evolutionary socialism through the gradual education of the public and by means of peaceful political change. Hence his popular name, Pandit or Wise Man. He was essentially a teacher, not greatly concerned with how things worked. His eclectic mix of socialism and democracy and his Soviet style state organised heavy industry led development was a costly red-herring to the non-functioning village and poverty ridden countryside. He disliked Ghandi's penchant for the simple life. He wanted to modernise India with mainly western ideas. A veneer of democracy, the Village Panchyat, was set up over ill-constituted economic entities. A hundred and thirty years later the village remains essentially unreconstituted despite numerous land reform laws aimed at limiting the size of farms to give space for the poor and landless.

Parallel actions in South Africa are the current promise of "delivery" by the ANC and its growing intolerance for dissension, of the central promise of action, of Mbeki's finger wagging at the illegally constituted taxi industry the state chooses to court against its duty to protect and further the rights of citizens to "own the routes" they travel, and of the proclivity for centrally directed projects, from the Arms Deal to Coega.

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persons. He defined his utilitarian theories in 'An Introduction to the Principles of Morals and Legislation' (1789). He wrote an excellent essay on sovereignty, 'A Fragment on Government' (1776). It held that laws should be both socially useful and designed to keep a balance between rewards and punishments. He was a great believer in the possibility of reform.

The central problem with the inherited vertical, control model is that it denies learning. Failure in the field is hidden to protect ruling theories, departments and senior persons from whence instructions are issued. The changes required now in South Africa demand an administrative model that forms and sustains “a learning society”. That is, a society in which there is the right to experiment and thus to entertain failure, usually locally and thus at the periphery, as normal. Hence failure does not have to be hidden. Rather, it represents a chance for local and national correction and learning. Information flows are thus sought horizontally across all localities. It is a revolution, a paradigm shift away from the “certainties” of utilitarian thought that would mirror the transformation of scientific endeavour that Thomas Kuhn set in train in the 1970s.<sup>3</sup>

Hence, if Developmental Administration, as the law now requires in South Africa, is to emerge, if the country is to become a “learning society”, knowledge of, even control over resources and the leading role in setting goals and methods will have to move to operational levels at which people, at the periphery, take responsibility, are allowed to make mistakes and those mistakes are corrected and the experience recorded as “learning” for all of society, not least others in similar circumstances.

For that to happen, it will have to be driven largely by resident economic and social rights and by effective community concerns for efficiency and equity. As a result of mercantilist management of the Zimbabwean economy, the countryside has been administered as an adjunct of the state. The key rural institution, the village, has been frozen for 100 years. It has not been able to adjust to the key structural change, the shift from land abundance to land shortage, with dire results for social differentiation, conservation, joint investment and production. Villages in South Africa suffer the same time warp. The traditional authority, the Chief, who in many cases became the representative of the state, lost the ability to help the community look carefully at its self and so to adjust to this key change. This internal village failure is linked to the role of migrant labour which acted as the safety valve to the benefit of central government and of the modern economy. Indeed, this, the most important change in rural affairs which has adversely affected much of Africa, is hardly ever the subject of reportage, study, analysis or planning.

State control has denied the countryside the scale of operations that would have allowed it to intensify production and to diversify activities as a prelude to real competition with the white areas, the towns and commercial farms. A dual economy, as in South Africa, arose; a core, modern and now global economy and a marginalised rural and township economy.

## **2. An Administered Countryside**

The Communal Areas, where some 60% of the people still live, remain an administered countryside. The colonial concern with law and order and revenue has been modified since Independence with the advent of elected local government. However, the failure to

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<sup>3</sup> Thomas Kuhn, *The Structure of Scientific Revolution*, University of Chicago Press.1972.

devolve resources from the national budget has left the District Councils as children of the state. Ministry hierarchies dominate resource allocation and control the provision of services, although the Councils have the constitutional charge to develop their areas.<sup>4</sup>

Party political dominance receded during the 1980s but has been replaced, following the Constitutional changes of 1987, by the workings of the Ministry of Political Affairs and is heavily infiltrated by agents of the state CIO. The importance of these factors in local decision making should not be exaggerated. Their existence points to the lack of developed social and economic rights and of strong autonomous and financially competent local institutions. The Communal Areas are the “vote bank” and are open to considerable political manipulation.

To provide an example of rural impotence. In early 1991, a fiasco occurred in Parliament. A long awaited debate on rural development was abandoned because there were no speakers! Yet the great majority of Members of Parliament represent rural constituencies and the countryside was not only beset with problems; the coming of ESAP threatened its very welfare as state budgets were to be slashed and AIDS was already highly prevalent. In the years before the debate, most Parliamentarians had seldom addressed meetings in the countryside. A large gap existed between official pronouncements and the concerns of rural people.

President Mugabe put it well in Parliament at the end of 1990 in a move that heralded the debate.

“As you and I are able to judge, the people no longer appreciate empty slogans and hollow speeches. They want us to speak about things that are meant to improve their lives.. In 1991... .no meaningful Party activity had taken place.”

Mugabe could have stated the truth: that rural people remain in thrall to the party and state. Hence there is nothing to discuss, as was demonstrated in Parliament a few months later.<sup>5</sup>

### **3. Land Allocation**

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<sup>4</sup> There are a few breakthroughs in programmes funded by the World Bank – now suspended. They are partial reforms but interesting in that they provide budgets for school fee subsidies and for community public works to communities, by passing the problematic District Council. When this was achieved in 1999 in the Transkei for the Lubisi Dam Development Forum of 121 villages and the Forum also voted for fundamental reforms, reported below, the Forum Chair was assassinated by the local Council Chair. There has not yet been a court case.

<sup>5</sup> As Chief Economist, I recommended in 1983 that then Prime Minister Mugabe undertake “Meet the People” tours as the people were by then far ahead of government in many ways. This exercise did happen but Mugabe mostly talked at people. For instance, he met a group of rural women in a village to have tea with them. He then addressed them in English for half an hour on Marxist-Leninism. They understood not a word. At the time his colleagues encouraged this type of behaviour, “giving him all the rope he needs to hang himself” explained a senior minister.



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Traditional powers vested in community have been diluted over time. After Independence, land allocation was removed from the Chiefs - a post war political move - to the new District Councils although these far-off bodies had no means to manage the land. To manage would have taken cadastral surveys and good record keeping; a large, expensive and time consuming exercise beyond the capacity of the country. Moving beyond oral records and community cross-checking is a major task. This move was never fully accepted in the villages. It denies community the prime interest in land.

The move to Council allocation was followed up by two events:-

- The party began to provide followers with “permits” to move and settle in other peoples’ villages, notably in the Zambezi valley amidst minority tribes. This opportunistic political arrogance was much disliked everywhere.
- Government turned the old Communal Trust Land system into a harder State Land system that gave government greater direct powers and demoted Chiefs and communities. The model used for Village Development Committees were built up upon “cells”; essentially a party control model.

The inability of the Councils to manage other than politically forced villagers to resort to the Chief, particularly with land, even though it was illegal and placed the Chiefs in danger of easy accusations as to nepotism and corruption. It heightened the conflict between the Village Committees, designed more as control systems than developmental bodies, and traditional authority. The Chiefs were forced to ask that the power to allocate land be restored to them. Mugabe replied with the equivalent of the “not in my lifetime” speech by Ian Smith! This, since the mid-1980s, has led to a destructive stalemate over land management.

Ironically, in the early 1990s, Mugabe reluctantly agreed to the five senior Chiefs being members of the Land Commission headed by Dr. Rakhuni. That Commission, after collecting considerable rural opinion, proposed an extended family trust model of village reform that restored traditional values and thus asserted the role of the Chief over land but now within a modern legal framework. That Report, much heralded, was buried by government.

Before that, in 1992, the fifty five District Councils adopted a more complete economic reform of the countryside, the Rural Structural Adjustment Programme, outlined below. This partial similarity is not surprising. The former listened and then sought to find the best way forward. The latter systematically looked for comprehensive solutions - it was more radical. Both reports sought to build upon tradition modernised in important ways. Both transgressed the basic search for control over rural people that has epitomised the Mugabe regime.

Over the last fifteen years, community control has suffered. Many land decisions are now made by the traditional authority without either community or Council knowledge and are therefore not sanctioned. A position of impotence and of grievances against personal preferences arose that represents a form of anarchy that bodes ill for land husbandry and for community cohesion. More recently there has been open discrimination against

opposition supporters. The RSAP proposed a third way, reconstituting the village into a democratic Village Trust Company (VTC) so that redefined land rights and land issues are lodged within a functioning village institution that accords equal membership and ownership of the common assets to all adults, including women.

#### **4. Structural Issues in Agriculture and Resettlement**

Two fundamental weaknesses exist that the past and present resettlement proposals ignore. The first weakness is that there is no internal land market in the village. Small farmers operating within villages are unable to optimise the resources they control and so cannot grow and diversify. This has long led to the difficult fact that there is more “unused” crop land in villages than in much of commercial farm land. Location does alter this comparison. The second weakness is that, after twenty years of independence and resettlement, there are no procedures and financial and technical support that small farmers can trigger when seeking to move onto new land.

There is as yet no national land market.

Additional land for small farmers remains a political market. Government determines the scale, speed, institutional and technical design, choice of settler, and the land to be purchased. This is the natural prelude to the chaos that exists today.

Small farmers within the Communal Areas are not able to increase the scale of their operations, and hence the diversity of crops, in socially acceptable ways. Consequently, there is little that may be termed specialist farming suited to different ecological conditions. Private investment, often in cattle, exacerbates the problem. So too does occupation of the grazing area for cropping by new members since it expands cultivation on to the poorer soils and sets up a vicious cycle of a shortage of fodder and therefore of traction and manure in an increasingly extensive cropping system, ensuring lower yields and greater pressure for new arable excised from the grazing. To this scenario must be added the absence of a village financial system to invest in the common properties of arable, grazing and woodland and water.

Villages have no internal mechanism that enables them to optimise land use within an active investment programme. Farmers operate within a degrading environment and have no means to optimise the scale and diversity of their operations. Handicapped within the village, ambitious small farmers feel trapped by the absence of a national land market in which they can compete.

#### **5. Rural Social and Economic Security**

Zimbabwe has sought to ensure improved welfare, primarily through income transfers effected by maize and other subsidies and the expansion of the school and health sectors.

The post-independence period witnessed the doubling of minimum wages and a rapid expansion of health and of education. The result was a marked redistribution of wealth

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and the best educated youth in Africa. From 1983, the large politically driven artificial minimum wage gains (250% in 18 months) evaporated under inflation and what in effect became a maximum wage policy to save jobs and the cash flows of companies. Despite a 9% - 10% annual budget deficit, real expenditures per pupil and per citizen declined steadily, accelerating under ESAP from 1991.

Experience elsewhere suggests that a poor country like Zimbabwe with wide income differences and a small and in labour terms declining formal sector cannot afford to emulate the welfare state for the majority of citizens. ESAP worked for the export sectors – the country can pay its way in the world. However, poor fiscal management, a rapidly declining countryside, and the opening of domestic markets under globalisation marginalised too many firms and jobs too quickly. It has left the economy in strongly dualistic mode: the core commercial economy and the marginalised rural and township areas.

New approaches to income distribution and to social security have become urgent as the percentage of the population in formal employment has fallen: from 18% in 1964-72, to 15% in 1980, to only 11% in 1990 and catastrophically to far less by 2001. An HIV/Aids rate of close to 40% of adults, and therefore close to runaway levels, severely compounds the little security families have. Some communities are being obliterated by AIDS right now.

The state can no longer finance a national social security system and parents cannot afford to keep children in school or to use state health facilities as they cannot pay the fees. Security will have to be decentralized, be focused on the community as the preferred provider of social services, if rural and, increasingly, urban communities can be helped to accept that role. Traditional values must be combined with new means. The main role of government becomes that of financial partner, facilitator, not intimate administrator and political manipulator.

The insidious ill distribution of school and health funds towards the towns and against the countryside will have to be corrected. Community based finance and management systems are needed in which government partners parents and communities. Each programme has to seek to establish norms of equal citizen treatment akin to programme rights so that infringements are capable of being socially policed within communities and challenged in law.

Zimbabwe has earned a reputation for its small farmer "agricultural revolution". This has provided many rural families with new sources of income. However, it is only a minority of small farmers which regularly market maize. Some 15 percent account for the bulk of deliveries. These are concentrated in a few better watered districts. Zimbabwe has a food insecurity paradox. A few areas have surplus production collected into central stores. Most areas suffer real household food insecurity at great distances from central stores. Recent surveys record a worrying rise in malnutrition that is not in keeping with the national capacity to grow food. High unemployment has made it hard for many rural

families to buy food. Any disruption, such as drought, which is frequent in most “black” farm areas can be devastating to family subsistence.

Traditional forms of mutual security have survived but are greatly weakened and are under enormous pressure from drought, unemployment and inflation, ESAP, and AIDS. The countryside has played the role of social sump for society. It can no longer handle the demands made upon it. Indeed, the most striking feature of the last two years is the rapid rise in urban poverty. The countryside has no “bread” left to share with urban relatives.

It was apparent from 1990 that Zimbabwe was on the brink of a steep decline in the welfare of the rural population. The small, rapidly declining formal economic sector will never be in a position to rescue it. Today, some 70% of rural families are in economic distress and highly vulnerable to further shocks. In the towns the figure is above 40%.

## **6. The Main Legacy at Independence: The Fallacy Of The Economic Box**

Before and after Independence in 1980, the official experience with “scientific” land settlement for blacks was with small farmer land purchase and with irrigation settlement.

The former, the Purchase Areas, was used to create a small black commercial farmer class. It disappointed at first as traditional people allowed large family groupings to settle with them. The main economic crop was elite; well educated children who mainly moved into jobs in the cities. They have played major roles in nationalist politics, in the post 1980 government and in the emergence of black business. Some of them have become small farmer leaders – now silenced by the use of land as a populist political card. (see also dairy below).

Black irrigation settlement was first promoted as a response to drought and local food shortage in the 1930s under the guise that the black economy was separate. I.e. public works could have played the income generation role as in India with its well developed Famine Code. An American missionary, Alvord who became the first Director of Irrigation, was the main promoter. His model was food security. Blacks were granted tiny plots, 0.1 acres, and expected to move between village and plot. It was not an economic model. On some schemes there was early success, largely because of good administration and extension and because the early schemes were on major roads and so sales of vegetables to passing buses was simple.

Later, the 1960s, irrigation design became more of an “investment”. Large mainly white settler schemes were built in the south. Sugar was the principal crop. Black irrigation settlement then began to follow the large “international” experience provided by British colonial Gezeira (Sudan, mostly ex-Cambridge elite colonial servants, cotton as a contracted in crop) and pre- and post-independent India where irrigation was run by large state bureaucracies led by engineers which included a large ex-military element.

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Both settlement models, purchase and irrigation, were for individual families. The economic size (what size of farm under what crop assumptions, makes for what income?) became the paramount decision. It became an economic box. It was carried out as an administrative fiat under unpredictable and varying political choices (how many people can be fitted in?) ... like RDP houses debate here! White farmers were better able to obtain farm sizes that suited them and with subsidies of various types. Black farmers were far more a settled number equation.

The administration of water and the management and technical support of farmers were kept in separate Departments – both technical. This is still a major problem. For instance, the water regime is technically driven. It does not always fit the farmers' demand for water. There has never been a market for land and/or for water; prices against which farmer choices can be exercised – choice of crops, timetable, labour use, size of crop and hence of land commanded. This has constantly compounded the weak position of tenant farmers.

The major self-justification for bureaucratic control has been the frequent resort of farmers who could not optimise their land / crop / labour mixes to return to work in the towns, leaving the wife to farm. They have also practically never given up land in the tribal areas. Tenure has never given the farmers a sense of real control, not just over land but over water, farm size and other key issues like marketing, transport etc.

Irrigation was treated as a retirement vehicle, often with good missionary schools and hospitals nearby to care for the family. Unable to manipulate key variables, farmers treated state loans as the state's contribution to their farm insurance. Repayment records to the state agency were mostly poor. Interest was an insurance "premium". Farmers behaved with economic logic. The state did not.

### **7. Post-Independence Attempt to Reform the Small Farmer Irrigation Model**

After 1980, there was a move to "reform" all the "black" irrigation schemes with a model of joint farmer ownership. That model, later in 1990, became the Village Trust Company described below. It proposed a renewable contract between Water Affairs and the Community Irrigation Company as to volume, timing and price of water releases. That information was to then be used by farmers along canals and then sub-canals bidding as groups and then as individuals for the available water above the minimum price they set to cover the wholesale price to government, including rent if so agreed, and to cover services and repairs as the farmers determined for themselves outside of state provision.

Agricultural extension staff, then the irrigation scheme managers, would be selected for secondment to the Company and thus become what extension never can otherwise, both extension personnel but now also agricultural managers to the farmer community able to handle many joint issues like transport, marketing, grazing and water distribution.

Water was to be treated as a common resource purchased jointly and that supply auctioned against farmer demand by canal group or sub-section. The Community Irrigation Company would retail water and could profit its members from that trade. High prices for water could

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be balanced against financial capacity to improve services, to negotiate with government re more land commanded, better water delivery, farmer introduction of additional pumping or simply as profit belonging to member farmers. The aim, that the state was expected to approve, was to maximise the return to water, the scarce resource, even if that was managed within a farmer body.

Member farmers would enjoy a sense of ownership of the Company as a group but would not have an automatic right to “own” land. The agreed model required that they compete amongst themselves for water and for land. The latter, land, was to be conducted by a bi-annual equal member distribution of exchangeable irrigation plot rights which members then bought and sold in a market for plots.

Those members that failed to farm for two successive years would have to resign from the company. It was expected that those who resigned might gain a payout as owners against the member value of any net profits being made. In other words, it built upon the model of the employee owned firm. New entrants would then have to “buy in”, probably with the help of a loan from the company. A Trust would hold the interests of the members and oversee the company by appointing the Board. This would separate management from ownership.

The model gained some support in government but clearly threatened old bureaucratic empires. It clashed with the dominant centrist and control philosophy of the new government that emerged in the high profile “Resettlement” programme then beginning. There too the “economic box”, “administrative fiat” model was dominant. The reform proposal, was a precedent for community based farmer-led settlement, an organic model, that was not wanted politically or technically.

These obstacles to land and water reform recur throughout the post-independence period. On several irrigation schemes farmer groups asked to explore the model and many senior extension staff promoted it, including seeing themselves as seconded company managers. Probably a majority of cabinet members would, if free, have voted for such a model. That “free” vote never occurred (see below). The model clearly upset many technicians who felt threatened if they were to lose control over water and land.

As worrying, the new bureaucrats and political leaders displayed a deep distrust of rural people, of their own parents and siblings. They talked constantly of the need “to educate” rural people. The early 1980s were the height of imported Marxist-Leninist but really, in practice, Stalinist ideology. There was considerable continuity between colonial and the centrally managed sanctions economy and the new government when it came to rural people and resources.

## 8. Community Based Land Reforms

Since Independence there have been a number of village reforms proposed by local people, often led by a District Administrator or an elected District Chairman, and sanctioned by the local Chiefs.

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Like the irrigation reform described above, none came to full fruition before being stopped, key personnel punished, suspended and forced out of the civil service, or blocked in Cabinet by President Mugabe.

The first, called the Mwenezi Radical Land Reform Programme, in the southern region, aimed from 1982 to remove all those who had settled in the grazing areas during the chaos and anarchy of internal migration during the war years. The relocation of those families, helped by the community, was seen as the opportunity to build proper central villages. Commonly owned wildlife, a form of CAMPFIRE, and water development were major features. The irrigation model was studied and workshops organised towards a reform of the membership definition from user to equal adult owner. It was featured on national television and in the BBC Horizon film called “Man the Careful Predator”(1984).

The whole District Plan, every penny, was dedicated to getting land use right. It worked in that, in the big drought of 1983/84, Mwenezi was well organised, cohesive and disciplined and had enough conserved land and water resources to protect its breeding herd. Neighbouring Districts were devastated and attracted large state and donor relief monies.

The wheels came off quickly, however. Government refused to condone the District Plan and Budget in that it refused to provide Districts with budgets. In the old control pattern, it insisted on “constructing” the District Budget from Departmental budgets, first at national level and then at provincial level. Government essentially retained all the information and all the resources. Only the donors provided dedicated but, being politically nervous, small budgets. There was little money for the MRLRP although it had friends, principally in the Extension Department.

Then the state used a dirty trick it applied to many troublemakers, often its best staff. It drummed up a false charge of corruption against Kumbirai Mugoni, the District Administrator, suspended him without pay and dragged its heels when he sued them and finally won in court three years later. He then resigned and became involved in the larger RSAP (see below).

Zimbabwe’s most famous rural programme, CAMPFIRE, has been the most attacked by government. It was launched in 1982 within government as a broad rural reform programme. The key reform proposed was to secure the autonomy of villages by constructing joint programme management with the state under contractual obligations. In this way, member villages, suitably organised, would gain seats on the programme Board along with the state and thus, for the first time, enjoy public representation.<sup>6</sup> In binding agreements, member villages could pull resources and technical assistance to them to achieve internal reforms and investment. It was to be a member led reform programme highly relevant to a post-independent country.

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<sup>6</sup> After the failure to look carefully at the structural change from land abundance to land shortage, the fact that in all countries the village, the prime social and economic unit of society, has never enjoyed its own representation is remarkable.

## Land Settlement Lessons and the Creation of Economic Rights

When first published within government, it unleashed a powerful backlash. Rural people could not be allowed to take the lead and the state could not be placed in a position where it had to perform. Funding that year and for two more years was not forthcoming.

The programme's authors then moved to a more limited focus on wildlife. Communities had lost control over wildlife to the state from the early 1920s. In the 1970s, to the horror of many conservation groups, the Rhodesian government had given "white" farmers the right to own and to manage game – the beginning of the large private game business. CAMPFIRE, still seeking to effect the basic reforms it first outlined, saw wildlife under community control as proper reform that widened the wildlife reform, corrected an historical loss over a resource, and returned a patently commonly owned resource around which to push for wider reforms.

At the time, the Tonga, who had been moved away from the Zambezi to accommodate Kariba, and a minority tribe disparaged by the main tribal groupings, were open to political party led invasions. Because of tsetse fly, the Tonga had no cattle and thus, without formal rights to own wildlife, their large but difficult and very dry lands appeared to be empty. The state then provided the "settlers" with tractors to plough and promised to remove the tsetse fly. Sadly the EU became involved, supplying chemicals to open the area to cattle. This raised vital issues. The area could not support a crop regime, it was too hot and too dry. Tsetse had for years protected the area for wildlife. It was time to see that CAMPFIRE came into being. A compromise was struck; some settlement and the beginning of state acceptance of CAMPFIRE. It was a messy, virtually backdoor birth with powerful departments, like local government, not in favour.

The first CAMPFIRE Constitution acknowledged that villages were economic entities and that the decision to run wildlife, hunting and tourism operations were the business of village members. The state could tax net income. It could not position itself, as it did, to be the first recipient of income. The constitution was replaced by the District Council enjoying the receipt of funds. There then developed an unfinished fight over the control of income. The state wanted control. Local government has had little income for years and CAMPFIRE showed it up.

Cabinet from 1986 onwards has discussed CAMPFIRE endlessly, seeking always to control the flow of funds through local government, to stop it, to take it over. Yet, ironically, ZANU/PF has claimed that it invented it at election times! Parallel with state hostility, the CAMPFIRE villages and their support in NGOs and academia, later in many Districts as the programme spread to much of rural Zimbabwe, and finally the CAMPFIRE Association have fought for the right of communities to fully own, to manage and to enjoy the benefits of wildlife. The CAMPFIRE Association is today a beacon of hope for rural people and a public enemy of the state.

The programme is progressively looking at other resources to be better managed and to internal village reforms as first foreseen but all within a very difficult and hostile political and administrative environment. The Zimbabwe government does not want autonomous, financially and managerially competent villages enjoying the same type of rights accorded



commercial farmers. Rural people are far ahead of the state. The state wishes to keep the countryside in thrall to its needs for control.

Sadly, there are parallels in South Africa coupled to forms of state violence against autonomy seeking communities.

### **8. Resettlement: An Isolated Politically Vulnerable Activity. An Inability to Listen to Rural People**

At Independence, cabinet accepted the “opportunity cost” principle put up by the technical ministries to first buy up abandoned farms where new production would be a gain. Some 17,000 settlers could be accommodated over a first three year programme. Cabinet was also to understand that complex operations like dairy, tobacco, irrigation and fruit etc were suited to small farmers but only if well supported and that that would take some time to put into place. It had to be a parallel exercise.

There has been success in this regard with, mainly, private support. The Cotton Company works with a large number, over 100,000 small farmers, and some 15,000 small farmers grow tobacco under a programme run by the tobacco growers association. Appendix 1 reports the failure to establish a working small farmer dairy scheme which denied that rich potential to the resettlement and rural development programmes.

The first Three Year Transitional National Development Plan (1982-85) stressed the potential to better service the Communal Areas, notably by not parachuting in 340 unaffordable small towns at great cost, but by the more tactical use of around 1,100 periodic markets that would reduce all transaction costs, raise effective local rewards for economic opportunity and circulate cash, and by introducing reform into village systems.

Counter to this initial resettlement policy several important points were argued. Small farmer success would probably be more certainly achieved nearer to the major markets and in good agricultural zones; essentially around Harare and its airport on prime agricultural land occupied by valuable white farms.

If resettlement was to be near to Communal Areas, where all the abandoned farms were as the war had spread out from these areas, settlers might be condemned to low performance and even to the destruction of these farms as they tended to be like the Communal Areas, poor agricultural zones given to extensive land use, principally cattle and wildlife and not really to cropping.

It was also argued that there should be a tie back to the Communal Areas, where, like Mwenezi and CAMPFIRE demonstrated, there was need for internal reforms, better land management and community action. Why not buy internal reform where people were as the means of (self) selecting those communities that qualified to send members out to resettlement? Why not allow the resettlement dollar to work more than once?

Or, at a minimum, why not make the resettlement model a demonstration for internal village reform? Resettlement as a “national rural dialogue”.

Cabinet’s concern was not with the niceties of settlement practice. A few ministers decried the way in which settlers, with little state support, first cut and sold the available capital, the tress, on the farms to see them through to some later hopefully sustainable condition. Others noted that settlers were not given proper security, only a “chit” saying that they were there at the “pleasure” of the minister who could revoke the permits for house, plot and grazing at will. Moreover, the politicians made more of settlers having to agree to give up claims in the Communal Areas from where they came without worrying about their first obtaining security on the settled farms.

### **Model A Resettlement: Families in Villages**

The models used for settlement were very “wooden”. The main model, “A” was family settlement with household plot in a “village”, with crop land and grazing rights. It was exactly the “economic box”, administrative fiat of the past irrigation settlement for small farmers. Its prominence meant that government could not accept the irrigation reform plot holders were asking for at the time which is reported above.

It was clear from early on that the party (often masquerading as the state) was to be the prime “selector” of settlers. Like housing, there was great confusion as to the criteria – qualified farmers, the landless, who and how to select them and with what target income under what agricultural regime and support services. In the end, numbers – administrative fiat – became the main game. During 1982 to 1983 the “target” number rose twice. Each time the existing number to be settled was tripled in Cabinet with no request for information on costing, economic implications, policy options, land to be affected, capacity to execute or of budget or donor positions. Thus the number rose from 17,000 to 51,000 to 132,000 settler families.

To answer the critics, Cabinet named it the “Accelerated Resettlement Programme”. Settlers were to receive less support than was first felt to be essential with a promise of later rounds of support. It has all been a precursor to the present sorry “Fast Track” chaos on commercial farms.

### **Model B Resettlement: Producer Collectives**

The ideologically pushed resettlement model, model “B”, was the production collective. Mostly young people were involved. Few such groups survived for long. Collective production is not, as some advisors would have it, the “African way”. Africans give labour but do not work crops together. Farming is a family business. Collective production is the most complex form of human organisation with confusion between democracy and the need for managerial command, with great difficulty measuring individual contributions and hence wages, and with no financial structure worth mentioning.

It was only in the mid-1980s that Zimbabwe began to learn about employee ownership which would have saved the wasted “romance” of the collective. First started at Mondragon in Spain in the 1960s and 1970s and then promoted from the early 1980s, in particular and

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highly successfully by the US Congress. Employee firms in the USA outperform comparable firms by sector and size on capital growth, market share growth and job creation by from 4% to 11% per year. Employee ownership is a method that allows members to own their jobs and thereby, through a Trust, the company for which they work. This allows democratic practice to occur as equal (voting) members of the Trust whilst preserving the right of management to command, to get things done day to day under a Company Board appointed by the Trustees of the Trust. It also allows other investors to be shareholders and appoint their representatives to the Board. It has a normal financial structure and thus links investment to returns through dividends, unlocking the labour potential of owners, including in particular the employee owners. This model is adapted in the Village Trust Company described below.

The almost universal collapse of the model B collectives was easy to foresee. It has occurred many times in South Africa with the parallel and also “romantic” hot housing from the 1980s of sewing and gardening groups or production co-operatives. The initial members enjoy the excitement of a new venture, they gain control over land, they are given expensive tractors and other capital items, and they have high political or donor support to succeed in this brave new world. But they are impossible to run effectively as businesses and for members to all feel fairly treated because a false equality is often sought.

When the model B schemes were begun, the members were mostly single, shared the old farm house easily until girl and boy friends were introduced from outside, marriages occurred and babies were born. Then the group faced the high cost of building homes for some who had become conventional and married. The farm income would not carry this and the state and donors were not interested. Or, the original members, to safeguard their relationship to the assets, their capital, refused new members but gladly hired labour; an insider / outsider issue that then caused other problems. Or a powerful character tried to hijack the whole.

The few collectives that lasted were mostly driven by opposition to the state, were thus often led by Nedebeles and stood for resistance and other noteworthy causes beyond farming together. They have suffered the hostility of the state in more ways than one.

### **Model C Resettlement: Out-grower**

Model “C” was little used. It was aimed at plantation type crops where out-grower models were possible. Tea is a good example of a plantation crop. Irrigated sugar feeding in at marginal cost to existing mills was a crop success. The long mainly dry decade, from the early 1980s up to the mid 1990s curtailed its expansion as sugar companies struggled with water shortages.

Tobacco and cotton were the bigger successes in that more farmers took part but were not strictly out-grower schemes. They were small farmer production schemes backed by mainly existing institutions, both farmer and extension with financing Trusts and the like, scientific bodies and marketing arrangements. They demonstrated the importance of adding organisation of all kinds to make up for small farmer difficulties in ordering their services,

management and sales, in particular. Most of the cotton farmers were in the Communal Areas and most tobacco farmers on model A resettlement schemes – which are generally more accessible to neighbour / supporter “white” tobacco farmers, this being an intensive capital and management crop.

**Model D Resettlement: Community Access to Additional Grazing / Wildlife Land**

The only “indigenously” grown model was model “D”. It is by the far the most important model yet was never backed by the state. Rather it was blocked. Again, it promised more autonomous self-managed rural communities.

It began when chiefs and villagers in the south around a very large cattle / game ranch purchased for resettlement by government advised the state that it was silly to ask them to settle on the ranch which had few facilities for families. What they wanted was additional grazing land, not new settlements. The Ministry in charge of resettlement, Lands, insisted that model “A” be followed. Technical Directors and the Chief Economist in government then secretly went to the south to meet the communities involved. They were impressed by the arguments made and were able to take them further. Additional land should be accessed as part of internal reforms and grazing (rest) management in some rotational form amongst member villages and to optimise regional conditions. Wildlife could be a business entity co-owned by member villages. A strong central management team would be employed.

This was written up and handed to government where it caused a furore and was dismissed. The ranch remained, like many farms, in state hands for many years and was used for other, often illegal, purposes, including for private benefit. The communities, now strong MDC supporters, were punished for thinking aloud.

**Resettlement for Others**

By 1986 it would be fair to say that most rural people no longer believed that they would ever be the beneficiaries of resettlement. The state had provided no levers that they could pull to join the programme. By then the funding had slowed, the state held many farms and cronies were known to be being given farms. The state even dared to introduce a resettlement scheme for the “elite”!

From as early as 1984, groups of villagers began to collect monies, as in South Africa in the 19<sup>th</sup> Century, to “buy back” land from white farmers. For many this was a positive development – small farmers seeking to enter what was an open non-racial land market. Proposals were put forward as to how the state could best work with them. There was room for some form of subvention. Government, however, chose to block this citizen initiative and undid what ever moves groups had made, including some who were in negotiations to buy farms. There was no need for private initiative, it claimed. It did not see that ambitious small farmers felt that they could not control or even predict the official process. There has never been a dynamic role for small farmer organisations within the resettlement programme.

**1988. The End of The Land Issue.**

By 1988, partly because of official denial and inaction, HIV/AIDS was rampant in rural and in urban society. A paper delivered at an international conference in Harare demonstrated

that, with projected AIDs deaths, orphans and destitute families, the country no longer had a land issue after 2002 or so. The national task was to keep the economy going, to sustain business entities and sectors, including big and small farms, to train to replace experienced people, and to manage human investment and welfare far more strategically.<sup>7</sup> Resettlement was an expensive, wasteful red-herring. The state treated the paper as heresy.

## 9. The Rural Structural Adjustment Programme (RSAP)

This programme was prepared over three years, 1987-90, in three districts with the informal support of about half the Cabinet.<sup>8</sup> In fact, it was introduced to the pilot three districts by ministers from these areas. The truth is that they were very concerned that they would not be re-nominated by their local party branches since they had had nothing to say to their constituencies for time. Here was a chance to engage them directly in an open-ended planning exercise.

Planning was a mostly weekend operation in which rural people, youth, women, farmers, village assemblies, discussed their history, present state of the countryside and explored future options. Agreements reached at the village level were taken up to the District and finally to a District Conference.

The procedure was essentially to record the village's history, in particular the relations between "man and man" and between "man and land" and the inter-action between these two conditions over time, to describe the present state of these relations, and to sort out what from the past, including values, was to be carried forward / renewed and what had to be corrected. The results appear below.

In 1991, the Association of District Councils convened a national conference at which the Cabinet was invited, minister by minister, to tell the 55 District Councils and Administrators present what was the future of the countryside. ESAP was newly launched.<sup>9</sup> Apart from the President and one Vice-President, all ministers attended. Each was asked just the one question, "The future of the countryside?". Not one minister was able to go beyond the ESAP mantra of opening markets, tightening budget belts, trickle down etc and concluded with the standard "shpiel" of patience and discipline before the benefits would arrive. By the end of a 14 hour session, the rural leadership knew that the government had no ideas for the countryside. It was on its own. It faced deep budgets cuts for education, for health and for investment. Yet it had to carry much of the family and community costs of the AIDS pandemic and of high present and even higher predicted unemployment. Moreover, its village and land systems were in chaos with Intelligence Officers openly involved in monitoring local governance.

The next two days were spent with the three Districts presenting to the others the Rural Structural Adjustment Plan they had each prepared with a small group of researchers. The

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<sup>7</sup> Norman Reynolds and Eddie Cross, SAFER, Harare July 1988.

<sup>8</sup> Cabinet members offered state funding but this was declined to keep the exercise independent. Ford Foundation, Conrad Adenauer Foundation, CIDA and other donors supported it.

<sup>9</sup> Economic Structural Adjustment Programme under IMF and World Bank auspices.

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conference then adopted the proposed RSAP. A year later it appeared on Cabinet's agenda. President Mugabe introduced it as "exactly what the country needs" but suggested that, "it be put aside for awhile as with it, rural people would not have to vote for the party". His biggest chance to listen to people, to go down as a statesman who grew his people as autonomous economic actors, was thrown away. Cabinet, most of whom were believed to support it, remained silent.

What the RSAP did was to demonstrate that, as in the general development of science, a genuine and deep-going 'paradigm shift' can occur only if the 'dominant' paradigm can no longer effectively resolve important [social] problems of the day. The "emerging" paradigm, so goes the theory, then gradually assumes the dominant role. In public affairs, as with the RSAP, the people of rural Zimbabwe overthrew the past for one man to then overrule them. The need for that paradigm shift thus remains and is vividly illustrated in the rural chaos that consumes Zimbabwe today. In South Africa, where the historic conditions are similar to Zimbabwe, that need for a paradigm shift is also driven by the demands of the Constitution and of new local planning law.

The cornerstone of the RSAP was the conversion of villages to Village Trust Companies, from "user" communities to equal adult member owned property companies. Land was to become an asset to be managed and to be invested in. Members, adult men and women, regained equality as owners and formed an investment vehicle to look after the land and themselves as investors. This may well be the most important reform yet proposed for rural Africa.

Moreover, the authors of the RSAP, rural people, saw this reform of the village as the precursor to village land purchases. They argued that resettlement should stop and be replaced by villages acquiring the right to enter the land market upon achieving certain internal reforms.

The RSAP sought to alter the central control of rural life to a paradigm that respects local knowledge, places responsibility largely within the community, and allows space for member controlled supporting institutions. It described the Communal areas as having become "user" communities. They do not husband the land, manage it or invest in it. Donors and the state have been doing the investment. Since there is no working institutional, legal, ownership, management or financial model in place, the majority of outside funded projects fail.<sup>10</sup> Most families are "disinherited" in that they do not have the means to use the commonly held land; they have no animals or the means to go farming.

Government's role under the RSAP was to become that of facilitator, able to oversee the correction of any breakdown and that the learning gained would be made available to other communities. Information therefore would mainly flow horizontally, not just vertically and usually top-down. Government was invited to stand back, to "See the wood for the trees", and to attend to policy, to evaluation and review, and to act as partner. All the failed attempts to reform rural Zimbabwe, Mwenezi, CAMPFIRE, small farmer

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<sup>10</sup> In South Africa it would not be an exaggeration to say that the same holds true. Some 70% of rural projects fail within 18 months.

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irrigation, the southern grazing resettlement model and other "peoples" experiences were all present in the discussions by the rural representatives that gave birth to the RSAP.

Whereas the ESAP dealt primarily with the efficiency of markets and with the prerequisites for longer term growth of the modern sectors, the RSAP sought to correct equally fundamental structural impediments, notably the internal village and the national land markets, and rural trade and service provision. It placed an emphasis on the development of locally controlled economic institutions that open up price and other market signals for community and individual management purposes. Without effective economic institutions the countryside cannot move beyond its present administered status.

Individual rights and avenues for communal action emerge more clearly within self-managed economic institutions. These institutions, supported by national programmes that in turn convey rights to communities, place in the hands of rural people the tools and the means they need to manage their environment and local economy.

In political terms the RSAP represents the attempt (first sought under CAMPFIRE) to forge a "social contract" between state and rural citizen. Under conventional administration, officials cannot enter into any firm understanding with individuals or groups that might lead to the expectation that government will do something in particular. Such behaviour would place field officials in severe trouble. Conversely, it leaves citizens with little hold over the performance of government departments. The "administration" of development is different. It has to be a public/private partnership and government departments must be able to be held accountable to their clients. The innovation of National Programmes under the RSAP creates a new format under which the state "offers" membership in National Programmes. Membership confers certain rights, responsibilities and certain liabilities, and thus "contracts in" government, which holds the programmes, to adhere to contracted obligations. Civil servants become professional players, not controllers.

These programme rights are needed to give meaning to the democratic rights attained at Independence. The RSAP thereby sought to transform historic governmental controls into official responsibility for the facilitation of just and efficient economic and social activity.

In macro-economic terms, the RSAP sought to move the economic reform strategy beyond the limits of export-led growth to a dual strategy that incorporates mass domestic market development within low foreign exchange investment and consumption activities.

The authors of the RSAP, the majority of citizens, the rural population, the poorest people, understood that they alone could rescue their government from itself.

## 10. South Africa's RSAP. The Lubisi Dam Development Forum and Trust's Reform Programme

The best way to elaborate the RSAP is to report on the parallel RSAP type exercise conducted during 1998-2000 with the Lubisi Dam Development Forum. The Forum was formed by 86,000 people from 121 villages in the old Transkei. They grouped themselves into 23 regions for the purpose across three local government districts that have no bearing on land or social configurations being still based upon the old British military units.

This ill-fit has caused serious problems as the community has to talk simultaneously to three new, largely incompetent, insecure and "controlling" Councils that, like Zimbabwe, do not understand that communities must become vibrant land based, autonomous economic entities and not remain as children of the state.

The Lubisi Forum sought, "fundamental reforms of communal functioning and investment, resource management, regional trade and production economics, developmental finance and service delivery. The reform lays the basis for joint ventures and partnerships with public and private bodies."<sup>11</sup>

The Plan the Forum prepared described the present position within Lubisi characterised by:-

- There is no community management of and no investment in the communal assets. Only Government or donors invest: often for unwise and extraneous reasons. When they leave, the asset or programme created falls apart.
- The community is essentially a "user" body of the natural resources.
- Only some "use" those resources. There is no system of compensation by the users to those who do not use the land for cropping, grazing or other uses. Most members have been effectively "disinherited".
- The community no longer enjoys the active participation of all in agriculture and other communal activities. This means that most forms of mutual insurance have collapsed. Members do little with each other that can be called economic and productive. They are more "strangers to each other" than useful neighbours. Community spirit is held ransom to immediate needs.
- There is no clear and acceptable role for the traditional authority, the Chiefs, within this collapsing system. It is not a simple question of the "Chief or no Chief". There has to be profound structural change along with important elements of continuity and consensus.

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<sup>11</sup> Lubisi Dam Development Forum, "From Child to Actor", From Dependent to Competent Citizen. Membership and Ownership, Institutional Reform, Capacity Building, Plans and Projects. Work Plan for 1999/2000 and 2000/2001. May 1999



## Land Settlement Lessons and the Creation of Economic Rights

The Plan goes on to list the disabilities that Lubisi suffers from which originate from outside: from history and regional functioning:-

- It has no operating economy. The residents exchange little with each other. There is virtually no circulation of cash. The multiplier, which should build a vigorous economy from the social base upwards, does not exist. This is also the biggest brake on the performance of the national economy.
- Lubisi is a dependency of and supporter of neighbouring towns. This means that these towns are founded upon economic sand.
- Lubisi is a set of four "sub-regions" of village clusters that communicate outwards towards the external towns.
- Lubisi has no heart, no central "gravitas" in physical, communication, administration or service terms. Its centre is a vacuum. (see Map 1.) Comparable Town Councils serving 86,000 people might have a staff of fifty skilled and semi-skilled people.
- There is very little economic service within the area: poor schools, virtually non-functioning clinics, no trading system except a few small shops and South Africa's ubiquitous bottle stores that suck money from the area, a taxi and occasional bus transport system that dies towards the centre of the area and so makes cross district travel difficult, and a few agriculture and other officials who are not answerable to the community.
- Until now, the community had no office, no bank account, no address. It was virtually an oral grouping of villages linked by kinship and beholden to the state for almost everything. It was a child of, and its members the children of, politics.

The same workshops at Lubisi listed several key internal fault lines within and without the community. These can be summarised as:-

- Tribal arrangements evolved during long years when land was abundant.
- The birthright of members, especially boys, was access to "a free good", land.
- The community lived in a symbiotic relationship with nature. There was no need for any overt management or direct intervention in nature.
- There were no "prices" to reflect the differing values of different resources.
- The group, its security, a variety of mutual insurance measures, took precedence over individualistic behaviour.
- From the 1820s communities in the Eastern Cape increasingly lost land and the freedom to migrate. This "structural" change, from land abundance to land shortage, altered the relationship between man and land in fundamental ways.
- There was no accommodating change in the parallel relationship between man and man that would have recognised and made manageable the condition of land shortage.
- Land remained a "free good" yet it was in short supply. Consequently, there were no signals and hence no means to manage natural resources.
- The adjustment, over the last century and a half, has been social - there has been a growing differentiation amongst village members – and economic – families increasingly have relied on jobs in and latterly pensions from the modern economy.

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- Official measures kept black farmers out of markets and so punished attempts to produce.
- Once cohesive, self-managed and self sufficient communities are now inactive, fatalistic, dependent and riven by the immediacy of individual needs. They are perfect fodder for populist politics if anyone can excite them.
- Local Government is remote and is not the vehicle to deal with land and other natural resources as productive assets. The members must do that as it is theirs. For this they need suitable legal and programme frameworks.

The main decision reached by the LDDF was to convert the present broken down communal institutions into a Trust that holds all communal properties equally for all adult members as owners. The implications are fundamental.

There are three major reforms that will make this possible.

1. Acknowledging that there are two economies operating side by side: the modern and the marginalised, and taking measures to integrate them by suitably equipping and energising the latter.
2. Moving government from the limitations of expenditure to the **financing of development**, and to an open central ability to partner citizens suitably organised.
3. Modernising debilitated tribal institutions into productive community resource management and investment bodies.

These reforms centre on three programmes, each of which, as in the RSAP, create “programme rights” for members or for communities or for regions:-

### 1. **From Marginalised to Modern Economy**

National and provincial policy (e.g. Gauteng and Johannesburg) now supports the introduction of periodic markets in the marginalised areas (including city centres where the refugees from the marginalised areas now seek survival) as the best means to return the "drivers" of the modern economy from whence they were stolen: economies of scale, low unit costs, a diversity of goods and of services, production and cultural spaces and greater local cash circulation. Otherwise the cancer of hawking will lead to the "implosion" of working economies as it kills off formal trade and simplifies the business of once thriving localities. The passive fear of "competition" within limited over traded activities needs to be shifted to a sense of control and growth from the "synergy" of a diversified local economy with increasing elements of local productive opportunities.

### 2. **From Expenditure to the Financing of Development**

Extending work and training rights to all citizens who register in the marginalised township and rural areas. These beneficiaries become investment (physical and human capital) instruments for the state. They buy and sell the work rights to form project budgets to build or to maintain public or private (with a loan component) assets. The local multiplier will jump, creating marked improvements in regional economic opportunities and activity. The training rights are "banked" and saved as they are "lumpy" investments until the beneficiary has the means, with own funds added, to pursue training of his or her choice.

In return for the guarantee of economic activity and security, all citizens assume a growing responsibility for school, clinic and other social consumption fees. The acceptance of this new co-responsibility with the state stems from greater economic security and activity and from the higher local multiplier. Such citizen response allows Government to switch its budgets away from social consumption to investment. The central government can bridge finance a pilot provincial scheme until state expenditure is mainly for investment through citizen rights. Both public and private benefits, which flow from investment in irrigation, a building or some other productive asset, after year one are matched by loan components from the large banking sector. The average mix of finance, of loan to budget grant, could start at 50:50 and rise in three years to 30:70. For every R1 the state spends, loan and personal savings should add another R2.<sup>12</sup>

### 3. From "User" to Owner, Resource Manager and Investor Communities

Rural citizens alter their defunct membership in "resource user" communities to that of **equal adult owner members**. This unlocks cultural, financial and investment energies supported by the programme above. Exchangeable user rights reveal prices, set up cash flows and financial systems, and link asset value and use to member dividend. This encourages high member labour investment to augment the net income available from work rights and user rentals now achieved. Investment, being financially driven, opens reform communities to investment anywhere in the country or the world and to inward investment by others. A full circle corrective within the opportunities provided by globalisation at regional, national and eventually global levels.

These basic reforms would force the rethinking of the management and finance of schooling, health, road maintenance, training, small business and small farmer programmes, communication, information, and markets. In turn, this exercise would breathe life into the Constitution, notably the basic search for "human dignity", and other sections such as Article 33 which guarantees Administrative Justice, something sorely lacking in most rural TLC areas.

To achieve these broad aims, the LDDF adopted a reform programme that:-

- Corrects present weaknesses and addresses the structural move from land abundance to land shortage:-
- Cohesion and equality is returned to members by redefining membership away from a right of access to a free good to equal adult (male and female) ownership of the common properties.

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<sup>12</sup> This is not a pipe dream. There is relevant experience in South Africa. During the drought, 1992-94, the two advisors to Lubisi designed an IDT funded R100 million community public works programme through which some 750 drought affected communities received a "budget". This innovation allowed them to explore its possibilities and to thus optimise its "cash circulation", investment and welfare effects. At the end of the period, these communities had the confidence to seek the right to an on-going annual investment budget to be increasingly matched by loans and to begin to carry social consumption fees. That the IDT failed to roll on the programme so as not to upset SANCO further by winning its "constituency" is one of the disgraces of development funding.

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- This change in the relations between "man and man", from user to equal owner corrects the historical and unattended change in the relationship between "man and land". It recognises that land now in short supply is an asset and has to have a value.
- That value is arrived at by the issue of periodic "access rights" to different categories of land, water, forest, etc. equally to each member based upon annual management plans for each resource voted for by all members (not just users as is the current official and donor practice).
- These access rights are exchangeable in a market for rights within the community.
- By buying and selling the access rights, members establish prices for each resource.
- This gives rise to a financial system: prices, buying and selling of access rights, value and related cash circulation between members.
- The ruling prices determine the value of membership: the sum of the issued access rights.
- The community can then tax that membership value in order to retain, as a company, income for operational budgets and for investment.
- Member labour contributions, in the early years, can exceed the cash value of retained member dividend for investment. In this way the community can achieve very high investment levels.
- Community investment can be beyond Lubisi, even in cities and in other countries.
- The community, by placing chosen resources within companies, can legally and financially entertain joint ventures and outside investment.
- Government and donors could enjoy a purely investment relationship with Lubisi which includes risk sharing and dividends: a dynamic relationship between suitably organised economic adults.

Lubisi demonstrates that rural people can foresee membership in working economic, asset holding bodies and suitably organised regional economies. This gives the lie to the seeming inability of rural South Africa to husband a successful small farmer system.

The model, based largely on the "extra" ability to reward labour contributions, so suited to poor people, through the cycle from investment to dividends, unlocks a culturally, group based model that can take rural people beyond traditional boundaries to other land bases and even into towns to build houses and to develop other profitable assets. An acceptable national goal could then be to maintain high land prices to ensure efficient land and water use. The poor would enter the land market through the village reform programme supported by public grants and by public and business partnerships.

The model sets out a moral economy within which individuals seek to optimise their economic interests whilst being supported by joint member investment in the common asset and service base. Issues such as stock theft, irresponsible labour behaviour, and poor services become directly of common concern as land rents and ownership dividends will be hurt.

The model handles the role of the Chiefs in a constructive way. The chiefs surrounding Lubisi, including one of the most senior Transkei Chiefs, did meet the Forum. They approved the Plan and went on to approve the idea that their role re the Plan was not to be treated as either "in charge" or not "needed". The allocation of land was now to be achieved through "equal rights" and exchangeable systems. This removed an old role for the Chiefs that has become highly problematic – a good thing. What the reforms

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proposed at Lubisi needed was a large degree of “historic continuity”, guaranteed acceptance and confidence and hence their promotion by the traditional authority. It was thus agreed that the role for the Chiefs, a vital and responsible role, was to convene the Board of Trustees, to play out the fundamental African conception of land as held “in trust” for past, present and future generations.

The country must now rethink rural development and agrarian relations around the Lubisi model. Business has clear roles to play since communities and their economic projects require management and financial systems that at present do not exist. The Lubisi Forum suggest that a League of Reform Communities be created to service member communities and to build working relations with all the possible partners. One such partner would be an Investment Corporation that sought out opportunities to invest in reform communities, in Village Trust Companies, and in so doing brought marketing, technical and managerial skills.

## **Appendix 1. Rethinking the Village: Moving Beyond History. The Village Trust Company (VTC)**

The history of tenure systems, in the West and subsequently mimicked in Africa, is essentially that of a shift from communal to individual ownership. This shift, like most changes, is most usefully regarded as a movement along a continuum; not, as many would have it, as an either/or choice. Land ownership in Zimbabwe contains several intermediate possibilities which combine differing elements of communal and individual tenure.

Communal tenure is the basis of the traditional village system under which most citizens live or remain affiliated. Over the past century, the communal system has failed to respond to major structural changes arising from colonial rule and population growth. Traditional systems arose during long periods of land abundance when group harmony and security were paramount. Man lived in balance with nature and viewed land as a birthright.

From the beginning of this century the supply of land was increasingly restricted. The division of land into settler farms and black reserves cut blacks off from land on which they had lived or onto which they had enjoyed the right to move, most notably to herd cattle in times of drought. Colonial rule froze the village institution by removing its autonomy as the state turned the traditional authority into a servant. The village was unable to alter its rules to accommodate the shift to land shortage. Membership retained the promise of the original birthright: free access to communal land.

Freezing the village institution prevented the normal response to a move from a condition of abundance of an item to that of shortage. Price increases should have acted to ration access to the land in the village. But land remained a free good because all members were still promised full use of it. The adjustment, which did not occur through price changes, took place externally through migrant labour and internally through a growing differentiation amongst members. The social response to these structural changes was costly. Today a large proportion of village families have no cattle and practice little or no cultivation. Common land, particularly grazing and woodland, is overused and degraded, and the other important common resource, water, is poorly developed for domestic and agricultural purposes.

The village, now a broken down institution, carries part of the costs of urbanisation. It continues to provide a modicum of social security. The village acts as a social sump, collecting the unemployed, the poor and indigent and those too old or too young to work in the urban wage economy. The relative lack of economically active members fits with the other problems of the village described above, notably the difficulty of optimizing land use and the scale of individual farming operations. There is consequently a generally low level of productive activity, and scant development of village resources by way of management or investment.

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Under present administrative and planning arrangements the creation of a socially and economically effective community is almost impossible to achieve. It is not simply an issue of whether to restore the chiefs or not. It is a question of how to evolve present understandings and systems in each community through democratic actions that lead to workable solutions. These may or may not retain the chieftainship.

In the towns, until recently, blacks lived under close colonial administration. Housing was rented out by mining companies and local authorities. The numerous restrictions on ownership of property and other civic rights did not allow residents to establish a capital stake in the towns or to evolve their own forms of organisation. Apart from home ownership schemes, since independence there has been little institutional innovation in the now high density suburbs. The towns have provided no "African" experience relevant to the village. Nor, in Zimbabwe, has the Resettlement Programme.

Independence and the transition to legitimate government provides an historical moment in which to rethink the village society and to question the standard recommendation of freehold title in both the old townships and the village. What form should rural and urban tenure take? Can rural and urban people realise traditional values by participation, democratically and economically, in modern, dynamic and effective communities? Is there one set of principles that should drive both urban and rural reforms? Can certain reforms unleash pent up cultural energies? Is there still something of value left in the earlier promise of constructive human relations contained in the phrase "the African Genius"?

Village institutions in Zimbabwe developed during an era of land abundance. The arrival of white settlers signalled the end of this era. They constituted a new group which competed for land and heralded the beginning of rapid population growth under public health measures. Village membership continues to treat land as a free good and a birthright even though there is not enough land for all members. A new majority have been disinherited in the sense that they are not able to practise the right of access since they have no cattle to graze and no ability to plough. Even those who have access to the resources necessary for cultivation and animal husbandry remain small users of village land compared to a few larger members.

Villages have lost those qualities that traditionally made them cohesive, able to live in a symbiotic relationship with the land, and provide for mutual insurance arrangements. These arrangements ensured participation and a degree of security within the community but have been diluted or distorted over time.

Mafisa is an example of a distorted arrangement. It was a practice in southern Zimbabwe and in neighbouring countries which allowed members of the extended family to lend animals to those who had lost breeding stock. The receiver would keep the progeny of those animals as the basis of a new herd, and return the parent stock. Today, mafisa describes the distribution of herd management to extended family members and even to other unemployed villagers by people, most of whom reside in the towns, who have invested in large herds. These "investors" make money by using communal land, a free

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good, without paying for their share of any resulting degradation from overgrazing. Neither do they compensate non-users.

Several communities which have won conservation prizes practice a form of regressive tax on the poor; a point the judges ignore but which raises the question of sustainability. They charge each member, no matter how many cattle they own, an annual levy in cash and by way of labour contribution that goes towards improvements in the grazing area. Clearly the distribution of the benefits is unequal.

Most self-help activity in villages is a regressive tax on the poor since equity exists only in the cost, seldom with regard to the benefits.

There is no mechanism in the village that reveals the true social costs of grazing. Overgrazing and degradation are not registered as grazing costs. Private users view the costs of maintaining a herd as limited to herders' wages. They see grazing costs as nil because land is a free good under the present system. Moreover, without generalized benefits, there can be no sound investment system to improve the productive base of the village.

Most current grazing schemes are essentially physical arrangements for land use; i.e. the movement of animals through fenced paddocks. They do not tackle the institutional and economic problems of unequal member participation and they, therefore, invariably fail to raise the important point about carrying capacity. Because animals are "paddocked" and not herded, and thus boys, in particular, are freed from that responsibility, their popularity has been spurred by the achievement of high attendance rates by children at school. This is a false measure in that there are considerable gains from herding – animals always, if left within fences, eat "the eyes", the best grazing out of any land. This reduces the land's ability to carry animals through the difficult early summer before the rains.

Fencing is a "capital import" suited to donor funding methods. It, however, denies communities the benefits of herding which includes job creation. The set of current economic crises is leaving more children sent back to villages from towns and, especially girls, also out of school. There is also very high unemployment amongst adults. Herding provides a more intelligent grazing and fits community needs for economic roles.

The past official and donor-sponsored interest in fencing may fall away. This might allow more sophisticated grazing patterns to be followed by young herdsmen and women working intimately with the local knowledge of differing plant resources and landscapes if a suitable institutional model for grazing can arise.

Many outside technical agencies assume that overgrazing is the result of stupidity and irresponsibility on the part of rural people. Yet these agencies have no proposal to equally distribute the land's limited carrying capacity amongst members.

In Zimbabwe, as throughout the Third World, technicians endlessly attempt to prove to communities that suitable management of grassland will produce more grass! This point



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is obvious to the villagers and is a waste of time because it ignores the social roots of the problem. Demonstration plots and schemes, of necessity, involve a few village members, teach little that is not already known, and suffer decline because they have within them no means to incorporate not only all the available village land but also all the village members.

Migrant labour has disturbed the workings of the village. It has raised the importance of women in the functioning of the village but without their role being fully recognised by society. Within the last few years a growing number of educated youth sojourn in the village for increasingly long periods while waiting for employment elsewhere. This increasing pool of un-utilized educated members serves to disturb village life rather than enhance it since the village has no use for their skills.

In discussions at the village level villagers usually attempt to handle questions of equity and sustainable production through the equitable distribution of cattle amongst members.

They readily admit that this system, even if achieved, would break down very quickly into a division between those who built up their herds and those who lost cattle. The preoccupation with cattle ownership and management-based solutions reflects that of the extension and technical agents. However, it is also embedded in the traditional problem that land is hidden as a resource to manage.

Instead of focusing on ways of rearranging cattle ownership, the RSAP redefines village membership. If once abundant land is now in short supply and should have a price, then membership can no longer remain a right of access to a free good. It must be related to control of a finite asset. The reform programme begins by defining membership in terms of the community's assets such as village land, woodland, water, and infrastructure.

The redefinition occurs within the context of "mapping", a process of exploration, rethinking history, analysis, and decision-making. Mapping draws out local knowledge and perceptions in a process of empowerment and commitment. Like Robert Chambers' "Participatory Rural Appraisal" (PRA), to which it is akin, mapping avoids the high costs, external expert leadership, and mountains of indigestible data that leads to no local action of numerous baseline and other surveys that plague the development game. It differs fundamentally from PRA in that mapping starts at the legal, institutional, administrative, and social and economic end of village issues rather than the technical.

When trainers help a community to map their world they invite members to explore changing relationships over time so as to define what society they wish to create. Since old values are recorded and later matched with the capacities of modern institutional forms, some villagers have termed the exercise, "The Recreation of Africa".

The central issue concerns the need to redefine village membership: to re-establish equity and to treat land as an asset. The first preference in mapped villages has always been that the household should be the member, reflecting traditional values. Further exploration reveals that families are not equal in size, in labour and management capacity, or in

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consumption requirements and that they change over time. After several attempts to reach a formulation to accommodate the family as the membership unit, communities realise that effective and fair membership can only be open to adults, both men and women. This is perhaps the most significant breakthrough in promoting the rights and roles of women in rural Africa. Women will henceforth be equal share holders with men in the assets held by rural communities.

The second breakthrough is that communities alter from being resource exploiting organisations, without internal management, price signals, cash flow and investment mechanisms over common properties, to become primarily resource husbandry bodies in which a new basic equity has been established between members, that of equal ownership.

Communities discuss the management of grazing and of the other common properties such as water and woodland. The mapping team asks the village at what price it would agree to rent all its land, water and other resources to a neighbouring commercial farmer. The price would have to be greater than the value to the members for present use of those assets. How would a village arrive at that price?

Having established equal ownership, village members can agree that membership represents an equal share in the total annual rental value of village assets. The ownership shares enable members to re-constitute the village as a democratic property company in which all members are shareholders. Since the company holds all the common village assets in trust, it is called the Village Trust Company. Although the realisation of rental values within a village at first seems complex - because villagers have not dealt with the abstract notion of paper shares - it is simple once they have had a chance to role play the use of rights that flow from shares. Equal member rights to different resources are issued annually. Since members have differing interests in the use of resources, the rights are exchangeable amongst members at a price set inside the village market for those resources.

This procedure enables individuals to optimise their relative positions against other members at the ruling price. It is a considerable improvement on attempts to reorganise cattle ownership or to divide the land into equal portions. Putting people into economic boxes is an economic nonsense even if it is convenient for administrators.

The conversion of villages to companies creates other benefits. Village companies operate under the same philosophical, legal and managerial arrangements as do commercial farms. Villagers and farmers will share the same business basis, making for more informed neighbourly exchanges and support.

The realisation of prices over different resource uses within the village exposes the value of agricultural activity. This enables the local Council to tax a portion of the value. As an asset husbanding and investing body, the village will want local infrastructure and service improvements to keep its income from the rental value of annual member shares high. Village and commercial farm can be taxed in directly comparable ways.

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Small farmers in Zimbabwe face a number of management issues that they are ill equipped to deal with; from grazing systems, irrigation development and maintenance, credit, transport, storage, etc. The extension agent rightly refuses to be a close party to business decisions. He retreats behind his information role. Leading small farmers increasingly play that role for their neighbours. This fact needs to be built upon in designing extension systems. Under the VTC it is proposed that the extension agent be selected and hired by the VTC. AGRITEX seconds selected agents to the VTC as its Agricultural Manager. In this position the officer can deal directly with management and business issues on behalf of the VTC. AGRITEX assists the VTC with grants towards the salary and the District Agricultural Officer retains professional control over, as with the extension training and calendar, what is now a colleague representing a client.

VTCs can compete for good extension officers by offering better housing, school, grazing and other perks. Seconded staff continue to enjoy full membership and can be promoted within AGRITEX.

Village companies remove government and the donors from the petty detail and high overhead costs of village level project selection. Under the RSAP donors fund a Trust that encourages institutional reforms by providing the matching grant to a village's retained investment moneys. Since the bulk of the investment is by the village in the form of retained profit plus labour contributions, the donor needs only to monitor the overall performance of village and district.

## Appendix 2. Small Farmer Dairy. A Useful Option Denied

It is worth reporting the almost deliberately failed attempt to introduce small farmer dairy in Zimbabwe as it illustrates, as with irrigation, Mwenezi and CAMPFIRE the obstacles to finding working models backed by communities.

There has also been, for similar reasons, little success with officially sponsored small farmer dairy in South Africa. This failure has occurred despite the special place of cattle and the traditional liking for Maas and milk amongst both Zimbabweans and South Africans. It has been based on a “white” farmer model with no interest in the “integrative” role of the cow on small farms and its unique ability to generate frequent cash flows.

Milk products, together with chicken and certain vegetables and fruit enjoy a high elasticity of demand. The question is, can milk and other locally produced and consumed foods be the engine of regional development?

The most infamous south African scheme has been the consultant managed high tech irrigation dairy settlement scheme in the Keiskammahoek. There the settlers never became owners, the cows were so “super” bred that they were on loan to tenant farmers, and the farmers had to grow specified crops. Keiskammahoek fell apart when milk marketing was liberalised and white farmers could gain access to homeland markets and roundly undersell the project.

In India, after 30 years of experimentation, they launched a national “White Flood” programme based on the cow as a spinner of cash.<sup>13</sup> After all, the unique characteristic of the cow is that she produces milk twice a day. The developmental lesson? It is not supply, but cash circulation. Not price alone, but local demand and system benefit.

If milk is delivered twice a day, even just a cupful, and the farmer paid in cash on each local market day, perhaps twice a week, there will be a constant circulation of cash within the village or region that bolsters the role of market days. If people deliver milk at collection centres and collect twice weekly payments at the same centre or, if it is not the local market, at the local market on market day, milk sales will inject cash into that local economy at the most potent moment. Milk sales will thus reward the local production and sale of many other farm and non-farm items: cheese, maas, vegetables, fodder crops, services and the like. The cow becomes the point of farm integration and helps to kick-start regional development. Cash circulation builds demand; demand calls forth more production, and so on.

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<sup>13</sup> The Amul Dairy in Gujarat in Western India was the pioneering institution. It is the largest (number of members) co-operative in the world, about half a million members with an average of just 2.2 cows or buffalo per member. The four largest milk co-operatives in California each produce more milk but have very few members!

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In this model of small dairy, the Milk Collection Centre is part of the Periodic Market. Farmers deliver twice a day in any measurable amount starting with the cows they have. They are paid at every delivery for the milk delivered the previous time, twelve hours before. The farmer walks along a verandah that has, in order of business, milk delivery, payout, farm supplies shop, and, off the verandah, the local market.

Given the support from the Dairy Co-op and the instant cash payment, many poor families do well even if they own only one or two animals. If they have no fields or grazing rights, they graze them along roadsides and cut grass on the way home from school or wherever to feed the animals tethered in the yard. And they buy feed from farmers or through the Co-op.

In South Africa, to-date, any official or co-op led dairy project invariably pays out month end and then by cheque. The farmer, just like all the civil servants, goes to town, cashes the cheque and buys in town. Milk becomes a vacuum cleaner, sucking out the wealth of the area. Other farm operations, mainly crop production, die as milk is easy to manage since marketing is organised. Agricultural activity simplifies just when milk promises to reinforce small farmer success which is usually based on the integration of factors and crops.

The first official attempt to pioneer small dairy farming in Zimbabwe was conducted at Marirangwe just south of Harare. There, in 1983, small Purchase Area farmers were joined to an existing nearby “white” farmer dairy collection system but with a collection centre in their business centre. They delivered milk twice a day. The Dairy Marketing Board, in charge of the project, refused to deal in cash, or to trust the farmers’ cooperative to do the same. Monthly cheques were issued, were taken to town, cashed and spent. Within a year, milk payments were up but were a small fraction of the value of the loss of farm labour jobs, reduced crop production and sales and from the death of most shops, butchery and repair services in the centre. Another small farm model for resettlement had been killed by arrogant official stupidity despite warnings by experts.

Small farmer dairy fits perfectly with the regional nodal, periodic market and movement system recommended below in the RSAP. Milk can be delivered twice a day at the Milk Collection Centres but payments would be made twice or thrice a week on market days. This fuels the markets, combining cash circulation with greater economies of scale. The Dairy Co-op, apart from collecting milk from the Collection Centres twice a week (the milk is chilled at the Centre) on market days, it can also “travel” vets, its own agricultural and health staff on the same milk trucks to attend to scheduled farmer and veterinary meetings, Village Vet training sessions and village clinic days. The Dairy Co-ops can branch out to invest in and manage irrigation, communications and electrification, and to organise support for crops, like groundnuts. Zimbabwe denied itself this wealth of small farmer possibilities, as has South Africa.