



Graduate School of Development Studies

**THE EFFECTS OF THE MARKET-BASED  
REFORM ON THE AGRARIAN STRUCTURE:  
A STUDY OF POST-INDEPENDENT LAND REFORM IN  
NAMIBIA**

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## List of Acronyms

AALS:	Affirmative Action Loans Scheme
ACLRA:	Agricultural (Commercial) Land Reform Act
Agribank:	Agricultural Bank of Namibia
EDF:	European Development Fund
GDP:	Gross Domestic Product
GRN:	Government of the Republic of Namibia
GTZ:	Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
KFW:	Kreditanstalt für Wiederaufbau (German Financial Cooperation)
LADF:	Land Acquisition and Development Fund
LRAC:	Land Reform Advisory Commission
LUEB:	Land Use and Environmental Board
MAWF:	Ministry of Agriculture, Water and Forestry
MAWRD:	Ministry of Agriculture, Water and Rural Development
MBLR:	Market-Based Land Reform
MLAR:	Market-Led Agrarian Reform
MLR:	Ministry of Lands and Resettlement
MMT:	Mixed-Method Triangulation
NAFWU:	Namibia Agriculture Farm Workers Union
NAU:	Namibia Agricultural Union
NGO:	Non-Governmental Organization
NLP:	National Land Policy
NNFU:	Namibia National Farmers Union
NPC:	National Planning Commission
NRP:	National Resettlement Policy
NRP:	National Resettlement Programme
PIA:	Poverty Impact Assessment
PRTIS:	Planning, Research, Training and Information Services
PTT:	Permanent Technical Team
SADC:	Southern African Development Community
SWA:	South West Africa
SWAPO:	South West Africa People's Organisation
UN:	United Nations
WB:	World Bank
WSWB:	Willing Seller Willing Buyer

## **Abstract**

This paper examines the market-based land reform (MBLR) and its various social, economic and political implications under the Land Reform and Resettlement Programme (LRRP) in Namibia. The paper, as a critique of the MBLR model, argues that in substance the MBLR does not effectively constitute a redistributive mechanism for land reform; process-wise MBLR undermines the good intentions of redistributive State-led land reform policies. This paper also argues that market-related compensation serve to perpetuate economic inequalities and poverty rather than equitable distribution.

## **Relevance to Development Studies**

'Redistributive land reform' (Borras 2005) was popular during the first three-quarters of the last century but the issue was becoming less important on the policy agendas of international development institutions and nation-states. This 'fall from grace' took place despite the persistence of land monopolies and land reform on the political agendas of peasant movements and their allies in most developing countries. Many factors, including the debt crisis, contributed to land reform policy exit (Borras 2005). However, after the World Conference on Agrarian Reform and Rural Development (WCARRD) held in Rome in 1979, the key question of land has been resurrected and became an essential item on the international development agenda as a socio-political and economic issue (Koohafkan 2005).

The study is also relevant within the context of the current failing role of the market through liberalization vis-à-vis the responsibility of the State in regulating property and market prices and their approaches in addressing poverty and other socio-economic inequalities in society. Land 'redistribution' in Namibia is not only about poverty reduction but it is also about equity, restoring past imbalances of land distribution. As stated by Allen and Thomas, within the scope of sustainable development there is a need for priority in development to be given to securing 'sustainable livelihoods' for the poorest groups within communities; hence land reform is considered as a development strategy (Allen and Thomas 2000: 91).

## **Keywords:**

*(Land Reform; Willing-Seller Willing-Buyer; Resettlement; Redistribution; Land Inequality; Agrarian Structure)*



# Chapter 1

## INTRODUCTION

Land reform in Namibia is one of the key questions still waiting for an economically, socially and politically viable solution that would satisfy the majority of the landless population. This study is a critical and systematic analysis of the 'willing seller willing buyer' policy approach for land reform and agrarian change in Namibia. The study aims to assess the effects of such policy reform on land re-distribution, poverty reduction and sustainable rural development, as well as land management in Namibia. The paper focuses on the 'redistributive' land reform, involving State acquisition of commercial farms through 'willing seller willing buyer' (WSWB) and expropriation, and the Affirmative Action Loan Scheme (AALS). In order to have a clear picture of the agrarian structure and land ownership pattern in Namibia, this paper compared the colonial regime and the post-independence era; in historical, social, political and economic context.

### 1.1 Research Problem

After 19 years of implementation the issue of land reform and its 'redistributive' nature still remains a 'hot potato' of national debate in Namibia. The discourses about land reform and agrarian change range from acquisition mechanism, registration and titles, redistribution strategy, to agricultural productivity. Complaints from the landless blacks is that land supplied by this approach has become expensive and inaccessible for the poor. The major concern is that the willing seller willing buyer approach has not effectively changed access to land and the agrarian structure'. The market-based land reform (MBLR) approach is being criticized for not meeting the demand for land and thus delaying the programme of land 'redistribution'. Commercial agricultural land that has been allocated to black farmers through the resettlement programme has become less productive and poorly managed.

On the one hand white landowners have fear of losing their land to blacks. Therefore, justifying the status quo, white farmers tend to oppose the current land 'redistribution' programme claiming that a land reform which subdivides large farms into smaller farming units for redistribution will reduce economic output and hence impact negatively on the economy of the country. For the landless black majority in Namibia the ownership of land continues to symbolize the structural inequalities created by successive colonial administrations. The argument and sentiments shared by landless blacks is that 'for as long as land remains with the whites, blacks are not independent'; independence only becomes meaningful once Africans have political power including ownership and control of land. The Government is prepared to buy land from white farmers but the problem is that land offered is not always suitable for resettlement purposes; therefore, most of it is waived.

## **1.2 Relevance and Justification**

A variety of political, historical and economic factors have shaped land policy and its implementation in Namibia. The extent of land dispossession during colonial periods affected indigenous communities unevenly. The democratic government of Namibia adopted the ‘willing seller willing buyer’ [a market-based] approach as a strategy to address land inequality. The policies and laws governing land administration are based on the protection of private property rights. Land ‘redistribution’ in Namibia is not only about poverty reduction but is also about equity, restoring historical imbalances of land distribution. Equity and poverty concerns are at the core of Namibia’s land reform policy. Striking a fair balance between these concerns remains a major challenge for the Government of Namibia.

This study examines policy reform issues of substance and processes related to land ‘redistribution’ and its implementation, thus contributing towards a more systematic analysis of policy reform that is aimed at reducing inequality, poverty and access to resources. This study is relevant because for the past 19 years the programme of accessing people to land and shaping the agrarian structure has been market driven but very limited studies have been carried out to assess the effects of market-based land reform in a socio-political and economic context. The inherent power struggle and control over land could be understood by employing a socio-political economy approach.

This paper, therefore, is an attempt to analyze land reform as a policy strategy for economic, social, historical and political change. As stated by Allen and Thomas, ‘within the scope of sustainable development there is a need for priority in development to focus on securing ‘sustainable livelihoods’ for the poorest groups within communities (Allen and Thomas 2000); hence land reform is considered as a development strategy. Experience elsewhere has shown that a balance of economic prescriptions for the third world has swung from industrialization towards agriculture as a means of achieving economic growth. Governments in less developed countries have launched reforms for the reorganization of agriculture and the introduction into agriculture of more advanced technology (Chambers 1969).

## **1.3 Research Questions**

Within the context of the background paragraph, this study was guided by the following main and sub-questions in its endeavour to assess and analyze the effects of the market-based land reform on access and the agrarian structure:

### ***1.3.1 Main Research Question***

How has the market-based land reform shaped access to land and the agrarian structure in Namibia, during the past 19 years?

### **1.3.2 Sub-Research Questions**

- Why did the Government of Namibia adopt the market-based / willing seller willing buyer approach to land reform?
- What resources are available that would capacitate the MLR to acquire land at a faster rate in order to meet the high demand for the landless blacks?
- What other policy mechanisms are in place to provide post-settlement support services to newly resettled farmers?
- What are the political, economic and social implications of land reform to Namibia's 'sustainable' rural development?
- What role do donors play in the land reform programme in Namibia?

## **1.4 Research Methodology**

This study employed a combination (triangulation) of methodological research techniques in collecting and analyzing data, related to land reform in Namibia and elsewhere. Semi-structured interviews were used as a technique to collect both quantitative data and qualitative information. As argued by Downward and Mearman, *'mixed-method triangulation (MMT) can be understood as the manifestation of retroduction, the logic of inference espoused by critical realism [...] and thus has the potential to unite aspects of different traditions of economic and social thought'*, (Downward and Mearman 2006). Land has a multidimensional function and character, so the value attached to land cannot just be reduced to monetary terms. Hence, the market price of a piece of land is actually a contested notion involving political-economic and socio-cultural factors. With this view in mind, this study used quantitative and qualitative data to make a sound empirical and analytical conclusion.

## **1.5 Techniques for Data Collection and Analysis**

### **1.5.1 Quantitative Data**

Quantitative secondary data, mostly statistics related to land reform and land ownership was collected from the databases and documents of the Ministry of Lands and Resettlement (MLR), the Ministry of Agriculture, Water and Forestry (MAWF), the Agricultural Bank of Namibia (Agribank), the Namibia Agricultural Union. Statistics and other related data on poverty and household income was collected from National Planning Commission reports and database. Relevant statistical secondary data was collected through desk study.

Quantitative data was used to analyze and explain the pattern of land ownership and distribution during the colonial periods and after independence. Quantitative data is useful in this study to explain whether there is a significant structural change in land ownership and control between the pre-

viously landless blacks and the white landlords. Furthermore, quantitative data is used here to establish analytical generalization about the nature and implications of market-based land reform in Namibia.

### ***1.5.2 Qualitative Data***

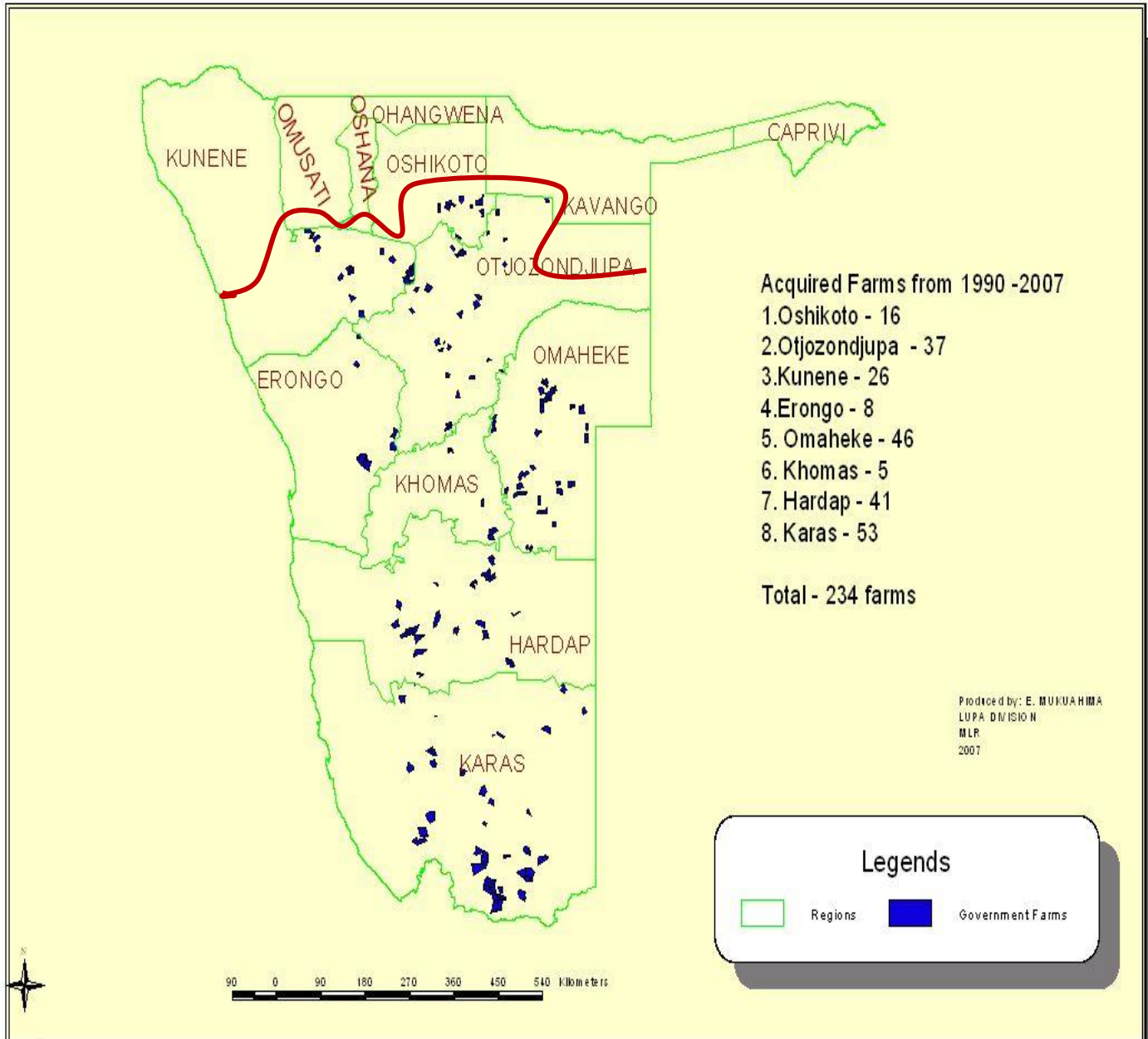
This study benefited from the qualitative primary data that was collected from resettled beneficiaries of land reform in the regions through open-ended interviews and questionnaire. The Directorate of Planning, Research, Training and Information Services (PRTIS) in the MLR conducted a 'Poverty Impact Assessment (PIA) of Land Reform Programme' in July/August 2009. The PIA sample of the resettlement beneficiaries represents about 5% of the farms that were covered by the resettlement audit exercise. PIA is an internationally applied approach in project and programme assessment and analysis. In the case of land reform, PIA was used to assess the outcome and impact of land redistribution over the past years since independence.

Field visits were undertaken to five individual resettlement farms and three group resettlement projects to see the actual life situation of beneficiaries and infrastructure of the farms, and to observe the agricultural activities undertaken on the farm. Qualitative information was obtained from beneficiaries themselves. Four senior officials in the MLR were interviewed; two senior representative of NAU and one representative of NAFWU were also interviewed. Qualitative data from life stories is helpful to better understand various aspects of human experience. As Atkinson puts it, 'a life story puts in narrative form, a story with a plot, [...] such a plot is essential for ordering the events and circumstances of a life and being able to make sense of them', (Atkinson 1988). During interviews, a voice recorder was used to capture stories and narratives from respondents. By doing data reduction and retention, attributes of interviewees and qualitative data and information collected was described to understand patterns and explanations.

## **1.6 Organization of the Study**

Following this introduction, Chapter 2 presents the analytical framework and models used to analyze land reform. Chapter 3 is a brief outline of historical and political factors that have shaped land ownership and distribution pattern in Namibia. Chapter 4 maps out the post-independence land reform and redistribution programme. This chapter gives a detailed analysis of the market-based land reform with its variants of expropriation, compensation at market price and willing seller willing buyer. Chapter 5 gives a synthesis of the implications of the market-based land reform on the agrarian structure within a social-political and economic context. Chapter 6 summarises the findings of the research paper and makes a conclusion.

Map: 1  
 Namibia showing 12 Political Regions and number of farms acquired from 1990 – 2007, with a 'red line' indicating the position of the Veterinary Cordon Fence (VCF)<sup>1</sup>



Source: (Ministry of Lands and Resettlement 2007)

## Chapter 2

# ANALYTICAL FRAMEWORK

### 2.1 Political Economy Framework

This paper employs the political economy framework to analyze the effects of 'willing seller willing buyer' policy approach to land redistribution. The political economy, as an analytical framework, has been used by Marx and Malthus to analyze relationship between population and ownership or control of resources. Marx used the dialectical materialism approach to analyze and understand the relationship between population and resources. The notion of dialectic expresses the view that development depends on the clash of contradictions and the creation of a new, more advanced synthesis out of these clashes (Abercrombie et al. 2006).

Engels also extended the scope of dialectical analysis and believed that the real world, whether of society or nature, developed according to dialectical sequences of contradiction and synthesis; and that dialectical logic was the means by which one could comprehend this development. Marx argued that the poverty of the laboring classes was the inevitable product of the capitalist law of [land] accumulation; and poverty is to be recognized as an endemic condition internal to the capitalist mode of production (Harvey 1974). Marx is of the view that through these 'relationships' the totality shapes the parts to preserve the whole. Capitalism, for example, shapes activities and elements within itself to preserve itself as an on-going system (Harvey 1974).

In Malthus's view, if the capitalist, who was not giving in to what Adam Smith calls 'mankind's insatiable appetite for trinkets and baubles', was to succeed in the task of capital [land] accumulation, then someone, somewhere, has to generate an effective demand. Malthus, a defender of private property arrangements and a logical empiricist, supports the uneven distribution of income, wealth, and [land] the means of production in society (Harvey 1974). However, despite their differences in methods of analysis both Malthus and Marx agree that needs are created, which implies that the meaning of subsistence cannot be established independent of particular historical and cultural circumstances. Therefore, colonial land policies in Namibia cannot be fully understood unless set within the process of capital accumulation and power relations.

The political economy framework is suitable because land has a multi-dimensional character and function; therefore, to fully comprehend the study of land distribution in Namibia, this paper finds it necessary to consider political, social and economic factors that are shaping the structural system of land ownership. Access to land and its ownership is a complex, sensitive issue and dialectical process that is highly contested in the post-independent Namibia. Elsewhere, the process of having access to, and ownership of land has led to more political violence and socio-economic deterioration. The land question in Namibia is still a 'hot potato' and it attracts the attention of both blacks and whites. In the spirit of African nationalism, political independence without

access to, and ownership of, land is regarded as incomplete independence. Therefore, the struggle for economic independence continues for the blacks even after gaining political independence. In this context, land reform programme in Namibia fits well as a dialectic process that requires introduction of some changes to the existing relations between people and land; creating new structures. New forms of land ownership (new relationships) can lead to a clash of contradictions between the existing and the new ones; thereby creating new, more advanced synthesis out of these clashes.

## **2.2 Conceptualizing Redistributive Reform**

The aim of land reform is about ‘redistributing’ land ownership from large private landowners to small peasant farmers and landless agricultural workers, with great emphasis on ‘redistribution’ of wealth. This process is inherently dialectical in nature because it involves differing opinions from groups that are at play. As argued by Borras, to be truly ‘redistributive’, a land reform must effect on a pre-existing agrarian structure a change in ownership of and/or control over land resources wherein such a change flows strictly from the rich landlords to poor peasants (Borras 2005). For Namibia, ‘land redistribution’ also means distributing land for the third time after two successive periods of colonialism.

According to Borras, redistributive land reform is inherently a matter of degree; it is seldom either 100 per cent redistributive or 100 per cent non-redistributive. There are two interrelated elements that define the redistributive character of land reform policy, namely; the compensation to landlords and the payment by peasants. On the one hand, compensation to the landlord can be between zero and somewhere below the ‘market price’ of the land; the difference between the market price and the actual compensation partly defines the degree of redistribution. On the other hand, payment by peasants for the land can be between zero and somewhere below the acquisition cost; the difference between the peasants’ actual payment and the acquisition cost also defines the degree of redistribution (Borras 2005).

There is a strong perception that a land reform that confiscates lands without compensation to landlords and distributes such lands to peasants for free constitutes ‘redistributive’ reform (Borras 2005). Similarly, land reform that expropriates lands with compensation to landlords at below market price and distributes such lands to peasants at reduced/subsidized cost is also ‘redistributive’. However, the ‘degree of redistributive’ reform is higher in the former than in the latter.

## **2.3 Models of Land Redistribution**

Models of land redistribution consist of two stages, namely; acquisition stage and distribution stage. The central issue in the way these two stages are implemented is the role of the public sector. Although there are numerous variations in the role that the public sector plays in these stages, it is possible to think of each stage as being either market-assisted or public administered (Christiansen

1996). The four general models of redistribution that emerge from this classification are depicted by Christiansen as follows:

Figure 1: Models of Land Redistribution

	<b>Market-Assisted Acquisition</b>	<b>Administrative Acquisition</b>
<b>Market-Assisted Distribution</b>	Both stages handled by market mechanisms, such as a willing buyer-willing seller model. The role of the state is limited to monitoring and facilitating the process.	In this case, the state acquires the land (through expropriation or direct purchase) and relies on the market device for distribution, e.g. a bidding process.
<b>Administrative Distribution</b>	In this case, the state acquires land in the market and then administers the settlement programme, e.g. homeland consolidation and betterment schemes.	An example of administratively handled land redistribution is the process of direct resettlement on state-owned or expropriated land.

Source: (Christiansen 1996)

According to this model, elsewhere and the South African experience clearly shows that the performance of models that are dominated by the public sector – through various administrative strategies such as centralized decision-making – is typically unsatisfactory. In contrast, reliance on market forces improves the performance of the model, but requires government intervention or guidance to ensure that certain social objectives of land redistribution are achieved. One of the ‘central tensions in designing a land redistribution model’ is the tension between the ‘desire to address welfare and social asset transfer’ objectives through redistribution of land, and ‘the desire to promote the productive economic use of land’ (Christiansen 1996).

Taking the model into perspective, Lahiff argues that market-based land reform in South Africa has been, and still remains, limited to the degree of discretion granted to landowners whether to make their land available to the land reform programme or, alternatively, the degree of persuasion or coercion to be used by the State in order to acquire land and the extent of compensation to be provided (Lahiff 2008). The market-based land reform programme in Namibia – usually referred to as ‘willing seller, willing buyer’- allows the landowners more freedom and control of the supply of land to the market. In this situation, the State and the buyers are dependent on the landowners who control the supply side of the land market. In a market-based land reform the landowners still have the freedom to decide the type and size of land to be supplied in the market. On the other hand, the willing buyers have to decide whether the type of land supplied by the market is suitable for their intended activities, in this case, resettlement. This is the situation under which land reform in Namibia continues to take place for the past 19 years since independence. In the context of dialectical materialism, any new change introduced in this arrangement would lead to contradictions between the current landlords, the State and the landless.

Within the political economy analytical framework, this study takes into consideration aspects of economic empowerment, socio-political factors and poverty as multi-dimensional phenomena that are inherent within a land



reform programme. A deeper understanding of rural dynamics and natural resource governance would require an improved approach that connects economic, political, historical, social and cultural dimensions as well as the linkages between micro and macro levels. Akram-Lodhi and others have argued that 'historical [and political] context provides a good idea about the character [nature] of the pre-existing agrarian structure and its relationship with existing poverty – the main objects of the redistributive agenda in any land reform' (Akram-Lodhi et al. 2007). This paper argues that design and implementation of strategies to reduce poverty and promote broad-based development would stand a better chance of attaining their objectives if they were based on such insights and knowledge.

Finally, this paper considers the view that the value of land cannot be reduced to strictly monetary terms, and so the 'market price' of land is also a contested notion involving political-economic and socio-cultural factors that, themselves, depend on who it is attaching the value to the land. The fact that land has multidimensional characters makes space for bringing in issues imbued with value judgement such as social justice, social function of land, purposive change and empowerment, which cannot be comprehended in purely monetary terms. Secondly, land reform inherently requires the intervention of the state to achieve the desired multiple goals.

## Chapter 3

# HISTORICAL-POLITICAL ECONOMY OF LAND OWNERSHIP IN NAMIBIA

### 3.1 Introduction

Land is one of the God-given resources that forms the fundamental base for any development and supports almost all human activity. For Namibia, despite gross inequalities, agricultural land is a major factor of production which supports more than 70% of rural population.

### 3.2 Pre-colonial Land Tenure System

Historical review of land tenure arrangements is important because many of the systems that have historically been encountered in the evolution of property rights, from the nomadic existence of hunter-gatherers to haciendas and highly mechanized farms, still exist side by side in different regions of the world. Placing these within the broader historical evolution of land rights will help in understanding not only their origins, but also the possible paths of development (Deiningner 2003) .

Namibia's pre-colonial land tenure system and ownership was based on communal utilization throughout the country. Communities in the southern and central Namibia (the Nama, Herero, Damara and Baster communities) lived a predominantly pastoral life. The scarcity of water and poor pastures forced these communities to disperse widely throughout the southern and central territory in small groups (Werner 1991). This strategy made it possible for them to utilize land and water resources for grazing in an efficient manner. As a result no fixed boundaries existed between different communities, but loosely defined areas of jurisdiction by respective chiefs were recognized. The social and political structure was characterised by a relatively low degree of political centralization. The creation of paramount chieftaincies by colonizers, consequently, led to competition for resources and conflict among chieftaincies (Werner 1991).

The pre-colonial land use system in the northern regions of Namibia (Owamboland, Kavango, Kaoko, and Caprivi) the indigenous population combined settled agriculture with animal husbandry. Political structures were characterized by a higher degree of centralization. Contrary to the stereotype of pre-colonial African as being populated by hunter-gatherers like the Pygmies of Zaire or !Kung Bushmen, there was a tremendous variety of political and economic forms in most parts of Africa prior to colonization. Chazan and others have argued that elsewhere, political systems ranged from the stateless systems typical of much of East Africa, in which political activities occurred primarily within age-set associations, to the centralized kingdoms of the savannah of West Africa and sub-Saharan Africa (Chazan et al. 1992). Richer soils favoured permanent settlements such as the Kingdom of the Kwanyama in northern Namibia and the Buluzi Kingdom in southern Zambia. However, both pre-colonial communities in the south and northern regions of

Namibia had one virtue in common; land was owned by the community as a whole, whereas permanent usufruct was granted to arable plots in the northern regions (Werner 1991).

Political, social and economic life in Namibia, just like in other pre-colonial African states, was conducted through a complex web of social factors, institutional settings and interpersonal relationships (Chazan et al. 1992). Under communalism all land and means of production belonged to the community. When a certain piece of land was allocated to an individual for personal use, that person had no 'right' to alienate such land since it still belonged to the community (Nkrumah 1970). This, briefly, was the pre-colonial political and economic environment that prevailed in Namibia into which colonialism came to establish itself.

### **3.3 Land Dispossession under German Colonial Rule**

Land alienation by Europeans began in 1883 when a German trader, Adolf Lüderitz<sup>2</sup>, obtained the first tracts of land from chief Joseph Fredericks in the south of the territory. This opened the way for German colonialist to acquire land by signing protection treaties with indigenous rulers. By exploiting local conflicts between indigenous communities, the German colonialists offered the so-called 'protection treaties' to individual rulers against their adversaries (Werner 1991). Ironically, the signatories of these protection treaties in return had neither authority nor permission to alienate any piece of land to any other nation or member of the local community without the consent of the German Emperor. Through these treaties, indigenous rulers abrogated their rights to enter into any other treaties with foreign government. History records that by 1893, practically the whole territory occupied by pastoralist communities in the southern and central Namibia had been acquired by concession companies (Werner 1991).

Most of the land given to these companies was along the railway lines that went as far north as Otavi. Again in 1897 a series of natural catastrophes, the rinderpest pandemic rapidly changed the balance of forces. With an approximate 90% of cattle wiped out by the pandemic many pastoralists in the central and southern parts of the country were forced into wage labour for the first time. In the process, land became increasingly the object of barter and trade. Ironically, the land traded was much cheaper than the land offered by concession companies, who had acquired their land for speculative purposes (Werner 1991). The losses of livestock due to rinderpest in the northern regions increased pressure by kings on commoners, forcing many into wage labour. European settlers took advantage of the plight of stockless pastoralists in the central and southern regions of the country.

Through unequal trade European settlers acquired large tracts of land and substantial numbers of livestock that had survived the rinderpest pandemic. By 1902 only 31, 4 million hectares (38%) of the total land area of 83, 5 million hectares remained in black hands. White settlers had acquired 3, 7 million hectares, concession companies 29, 2 million hectares and the colonial administration 19, 2 million hectares. However, peasants in the northern

regions retained access to land because crop production had not been affected by the rinderpest pandemic (Werner 1991).

The process of land dispossession by the German colonialists led to indigenous black communities losing their ancestral land and water resources. European idea of private land ownership rapidly replaced the communal land utilization and introduced rigid land boundaries. This process of land dispossession signalled the 'end of pre-colonial system of transhumance with their high degree of ecological adaptations', and increasingly restricted access to land to those who claimed title, however 'spurious such claims were' (Werner 1991). The pattern of land ownership and utilization changed.

Tensions arising from unscrupulous trading practices and loss of land sparked the war of resistance in 1904 by the Herero and the Nama against the Germans occupation. This war had devastating consequences for both communities. It is estimated that close to 80 percent of the Herero and about 50 percent of the Nama were exterminated by the German colonial forces during this war; the German colonial forces under the command of Von Trotter vowed to kill and exterminate the Herero from the face of Namibia. After crushing indigenous resistance the German colonial administration issued regulations at the end of 1905 announcing expropriation of all tribal land including land given to missionaries by local chiefs. This regulation gave powers to the colonial administration to expropriate all the land of the Herero and Nama. Squatting on uncultivated or unsettled land was also strictly controlled (Namibian Economic Policy Research Unit 1991).

Although relatively few in numbers, white farmers were firmly entrenched on the land. By 1913, about 1,331 farms were in private possession, of which 118 were on lease and 193 were dormant (see Table 3.3). The land allotted to whites amounted to 13, 4 million hectares (32 percent of the total area of 42, 3 million hectares). 1,587 white adults were on these farms, with a black farm labour complement of about 12, 500. Whites also owned some 90 percent of all cattle in the Police zone<sup>3</sup> and 70 percent of the small livestock (Werner 1991). German colonial power was consolidated, and prime grazing land and water sources passed to white control after the Herero/Nama wars of resistance of 1904 – 1908. However, German colonial administration did not manage to complete the implementation of its land dispossession policy before German lost control of South West Africa as a result of World War I; but managed to establish seven Native Reserves of about 2.7 million hectares (Permanent Technical Team on Land Reform 2005b)

### **3.4 Land Policies under Apartheid South Africa Administration**

As stated earlier on, Namibia was a colony of imperial Germany from 1884 until 1915, then placed under British mandate after World War I and administered by South Africa. The latter became an independent republic in 1961 and its apartheid policies were also applied in Namibia. Land dispossession by whites and displacement of blacks continued when the

apartheid South Africa took over the mandate in 1920, under the terms of Article 22 of the Covenant of the League of Nations and a mandate agreement by the League Council. The mandate, however, required that South Africa would promote the material and moral well-being and social progress of the people of South West Africa (U.S. Department of State 2008). The mandate stipulated that all land held by the previous German government was transferred to South Africa administration. Apartheid South Africa brought its own changes to the land policies in Namibia, enforced by military rule; forcing urban blacks to settle in rural areas, which resulted in an increased supply of cheap labour to commercial white farmers.

Under the South African Land Settlement Proclamation of 1920 a Land Board was established to facilitate the white South African settlement into Namibia, followed by the establishment of a Land Bank in 1921. The Native Reserve Commission recommended division of land along racial lines and removal of blacks from the so-called 'European areas' to 'reserves'. The Odendaal Commission completed Namibia's racially skewed land distribution and ownership pattern, benefiting the white minority; a situation that still exists even today. The Odendaal Commission created a white commercial sector and a black communal and traditional sector, and further paved the way for European-style private ownership of fenced and surveyed agricultural land. (Akram-Lodhi et al. 2007)

Namibia, measuring 824,269 km<sup>2</sup>, has 69.6 million hectares of land suitable for agricultural purposes, both in commercial and communal areas. By 1989 some 36.2 million hectares (52%) of this land was deemed freehold commercial agricultural land occupied and owned by some 4,200 (0.3% of the population) predominantly white farmers.

Table 3.1: Land ownership in commercial areas of Namibia in 1989/90

Owner	Number of Farms	Size (Ha)	% of Total
<b>The State:</b>	<b>114</b>	<b>1,039,276</b>	<b>3</b>
Experimental/production Farms	20	169,216	0.5
Other Agricultural Land	44	297,697	0.8
Municipalities + P.U Board	28	349,998	0.9
<b>Individual Owners:</b>	<b>6, 178</b>	<b>35,125,604</b>	<b>97</b>
Churches	22	222,365	0.6
Plots around Towns	(681) <sup>4</sup>	33,958	0.1
Company Owned Farms	55	728,882	2.0
White Namibians & Foreigners	6,123	34,362,764	95
<b>TOTAL COMMERCIAL AREA</b>	<b>6292</b>	<b>36 164 880</b>	<b>100 %</b>

Source: (Ministry of Agriculture Water and Rural Development 1991)

This means, on average, as indicated in Table 3.1, each of these white commercial farmers owned about 8,620 hectares of agricultural land in commercial areas.

In Table 3.1 most of these State farms belonged to former Second Tier Authorities who either settled emergent farmers on it or utilised it for communal farming purposes. Table 3.1 also indicates that 95% of the total commercial area was privately owned by individual white farmers who benefited from the colonial land dispossession policies during the German colonial rule and apartheid South Africa administration. Regarding the company farms, the MAWRD stated that game farming and, to a lesser extent, stock farming was the main economic activities on those farms.

In Namibia where environmental and ecological factors affecting agriculture are extremely variable, the numbers of farms in different districts are not helpful in analysing the farm business (productivity) situation. Some of the listed 'farms' acquired as second or third properties by individual owners are not economically viable. Therefore, it is helpful to further look at the physical size of farms in terms of productive capacity of the farming unit or 'farm businesses from 1988 to 1990.

Table 3.2: Average sizes of farming/businesses units per district, 1988 - 1990

District	Number of Farming Units / Businesses	Average Size (Ha)
NORTH	1,218	6,568
CENTRAL	1,524	7,376
SOUTH	1,463	12,552
<b>TOTAL</b>	<b>4,205</b>	<b>8,832</b>

Source: (Ministry of Agriculture Water and Rural Development 1991)

Table 3.2 shows that, on average, farming units in the southern sheep producing districts are larger than those in the mixed and cattle producing central and northern districts. This is due to different environmental conditions (climate, rainfall, vegetation) prevailing in those different parts of the country. The Southern Districts with desert and dry conditions needs a vast area of land to make a living from livestock farming; and is still risky and financially uncertain. The carrying capacity for livestock is much weaker in the southern districts; therefore, farming units tend to be bigger in order to be economically viable. The Northern Districts, due to high rainfall and possibility for dryland crop production, has smallest farming units in terms of hectares. The total number of 4,205 farming units in all sixteen commercial districts has an average physical size of 8,832 hectares.

As indicated earlier on, the remaining 33.4 million hectares (48%) is communal land or non-freehold land. Communal land belongs to the State under the administration of Traditional (Chiefs) Authorities, where individuals or households are given the user right only. In 1989 about 72% (1,015,142 million) of Namibians were living in rural areas. This means communal land supported livelihoods of about 72% of the Namibian rural population that was

dependent on communal subsistence farming. On average each household in communal areas had access to less than 33 hectares of land for either crop farming or grazing livestock (Republic of Namibia 2006a).

Comparison of the colonial settlement schemes of the German and the apartheid South Africa is shown in Appendix E, and shows clearly that the achievements of the German and the apartheid South Africa administration settlement Schemes were remarkable. Concession companies had 29 million ha; 13, 4 million ha distributed to German settler farmers, and 60% of indigenous Namibians killed. All these happened within 27 years of German colonial rule. Some geo-political and economic analysts have stated that the South African Resettlement Programme was 'the most generous land settlement scheme in the world'. Through the 1930s, white settlers did not pay any income tax. The PTT reports that all land used for settlement purposes under the German and South African Administration was not bought. In other words, the colonial land distribution schemes were not driven by the principle of willing seller willing buyer. The market and its 'price control and distribution' mechanism had no role and was not an issue at all in the distribution of land under the German and apartheid South African administrations. This is a typically effective example of administrative acquisition and administrative distribution model of land redistribution. The results and objectives of these schemes were achieved in a reasonably short time compared to the post- independence settlement scheme which is based on the principle of WSWB.

It was through these circumstances under which land ownership passed from indigenous Namibians to white settlers and ultimately turned into privately owned assets. Colonialism forced indigenous Namibians, especially the Herero and Nama, to live in communal areas or 'reserves'<sup>5</sup> which are, today, predominantly marginal and poor for agricultural production.

## Chapter 4

# POST-INDEPENDENCE LAND REFORM AND STATE OF AGRICULTURE

### 4.1 Introduction

On the 21<sup>st</sup> of March 1990, Namibia celebrated her political birthday as an independent nation under a democratically elected South West Africa People's Organization (SWAPO) government, supervised by the United Nations (UN). A policy of national reconciliation was introduced as a political and economic necessity to forestall the flight of capital and minimize the risk of political destabilization by disaffected opponents of the new government (Werner and Kruger 2007). National reconciliation policy based on the Constitution also helped to safeguard the property rights of commercial farmers who owned massive land before independence.

### 4.2 Land Ownership Pattern at Independence

At independence in 1990, the Government of the Republic of Namibia (GRN) inherited a racially skewed land distribution and ownership pattern. As indicated in Table 4.1, most of the agricultural land in commercial areas was owned by some 4200 white farmers. Table 4.1 shows that white farmers owned 5560 farms (30,414,652 million hectares) compared to blacks with only 181 farms (980,260 thousand hectares). The non-Namibians (foreigners) owned 382 farms (2,967,852 million hectares). Given the political history of land ownership during the colonial regimes; all foreigners who owned land until 1991 were of European decent. This means that in total the land that was owned by whites at independence was 33,382,504 million hectares (5,942 out of 6,123 farms).

Table 4.1: Land ownership in commercial districts of Namibia, 1991

Districts	Namibian Owners				Non-Namibian Owners (Foreigners)	
	White Owners		Black Owners		Number of Farms	Size (Ha)
	Number of Farms	Size (Ha)	Number of Farms	Size (Ha)		
Northern	1809	6,786,378	81	397,656	88	425,091
Central	1931	9,566,982	57	297,375	136	848,363
Southern	1820	14,061,292	43	285,229	158	1,694,398
<b>TOTAL</b>	<b>5560</b>	<b>30,414,652</b>	<b>181</b>	<b>980,260</b>	<b>382</b>	<b>2,967,852</b>
<b>Total of all farms combined: 6123, comprising of 34,362,764 million hectares</b>						

Source: (Ministry of Agriculture Water and Rural Development 1991)

Table 4.2 shows the nationality of some of the land owners in Namibia. Foreigners in this case have privately owned farms in Namibia but they do not



live on their farms, instead, they usually visit their farms once or twice in a year just to collect revenue during seasons of game hunting. Most foreigners and some white Namibians have gone to an extent of converting their farms into lodges and tourist attractions to avoid expropriation. The possibility that some white farmers own more than one farm (multiple-ownership) cannot be ruled out in this situation, because during the early years of independence some ‘good Samaritan’ whites donated some of their farms to the Government for resettlement purpose.

Table 4.2: Location of owner’s home in relation to farm business

District	Number of Owners	Location of Owner’s Home	
		R.S.A	Overseas
Northern Districts	56	15	41
Central Districts	82	28	54
Southern Districts	113	102	11
<b>TOTAL</b>	<b>251</b>	<b>145</b>	<b>106</b>

*Source: (Ministry of Agriculture Water and Rural Development 1991)*

Table 4.2 shows that of the 251 farm owners who were staying outside Namibia more than half (57.8 %) were living in the apartheid Republic of South Africa and the rest in other countries overseas. However, this situation cannot rule out the fact that some foreigners owning farms were staying on their farms in Namibia. GTZ reported that before independence 2500 white farmers in Namibia were of German origin (Legal Assistance Centre 2006).

The highly skewed land ownership in favour of the minority whites as indicated in Tables 4.1 and 4.2 confirm that Namibia, with a total population of 1.8 million, is one of the most dualistic countries in the world – both economically and geographically. In 1993, the richest 7000 Namibians were estimated to spend as much as the poorest 800,000 combined. A country-wide household survey conducted in 1993/94 found that 47% (over 650,000 people) of Namibia’s population were poor and over two-thirds of the poor live in rural areas. With a gini co-efficient of 0.67 Namibia stands out as one of the most unequal societies in the world (National Planning Commission 2005).

### 4.3 Paving the Way for Land Reform and Redistribution

Historically, land reform programmes have been associated with changes in political regimes. Christiansen has stated that most thorough and rapid land reform programmes have followed revolutions in countries like China, Eastern Europe and Cuba or occupation after military defeat in countries like Japan, Taiwan and Korea. More benign land reform programmes and ones with less fundamental changes have followed the end of colonial rule, the shift of political power an immigrant settler community or relatively peaceful ideological shifts such as in Algeria, Kenya, Zimbabwe, Bolivia and Mexico (Christiansen 1996). Therefore, land reform seems to be a complex and

complicated process, and tends to focus either on equity (State-and/or claims-driven) or on production (market-and/or acquisition-driven).

In southern Africa, the complex issue of land reform arose mainly in countries with white settler society who dominated commercial agricultural land. There is no standard land reform policy in southern Africa today, as such the Southern African Development Community (SADC) have never expressed an opinion on land reform or tried to deal with it through a protocol, until recently (Hunter 2004). Hunter claims that the closest the region has come to adopting standardized procedures was the consistency with which the British Government in former British colonies preferred applying, the market- or production-driven process to solve the land restoration and redistribution problems. Their approach manifested itself in 'willing seller willing buyer' policies linked to British-funded land restoration policies in Kenya, Swaziland and Zimbabwe at the time of decolonization. Zimbabwe is the only country in southern Africa that produced the land invasion and the new, more radical legislation for land redistribution after decades from independence (Hunter 2004).

#### ***4.3.1 The Infamous Land Conference***

In 1991 the SWAPO-led Government called for a historic broad-based National Conference on Land Reform and the Land Question to discuss, among other issues, three principal areas as follows:

*Colonial land dispossession:* How to get back land rights taken under colonial rule, and how to stop the continuing exploitation of farm workers;

*Equity:* How to correct the extremely unequal distribution of agricultural land inherited from the apartheid regime and, how to enable the two-thirds of the Namibian households who are partly or fully dependent on the land for a living;

*Efficiency:* How to increase the efficiency of land use so as to increase the contribution of agriculture to the economy, now and in the long term (Geingob 1991).

The main aims of the Conference were to review policy and strategy option on land reform and to develop a national policy and programme of action aimed at solving land ownership and distribution problems. At the end of the Conference some 'Consensus Resolutions' were taken on correcting the wrongs perpetrated by colonial dispossession and injustices; equity; developing pragmatic policies for land administration and management as well as to increase efficiency in utilizing land. Gross economic inequalities, especially in land ownership, were seen as potential breeding ground for conflict and national instability. Such situation was not compatible with sustainable development. One of the principal objectives of land reform is the 'elimination' of extreme social and economic inequalities inherited from the colonial and apartheid administration systems (Geingob 1991).

Among the twenty-four consensus resolutions reached at the Conference, the following are more relevant for this study:

- *On ancestral land rights*, the Conference resolved that ‘given the complexities in redressing ancestral land claims, restitution of such claims in full is impossible’ (N.E.P.R.U 1991) This means no Namibian, even those whose land was confiscated by colonizers like the Herero and Nama, can claim restitution to their ancestral land. Werner and Kruger argue that this resolution provided political legitimacy to widen the definition of land redistribution beneficiaries beyond those communities that were ‘physically’ dispossessed (Werner and Kruger 2007).
- *On foreign-owned farms*, the Conference resolved that ‘foreigners should not be allowed to own farmland, but should be given the right to use and develop it on a leasehold basis’. But the Conference did not make any resolution on the current foreigners who own massive farm land in Namibia. One would argue that this silence was basically meant to allow foreign investment because Namibia adopted an ‘open door’ policy towards foreign investment.
- *On absentee landlords*, the Conference resolved that ‘land owned by absentees should be expropriated, by distinguishing between foreign owners and Namibian owners who do not live on their farms’.
- *On farm size and number*; the Conference resolved that ‘very large farms and ownership of several farms by one owner should not be permitted and such land should be expropriated’. The difficult here is that there is no clarity as to what constitute a ‘large farm’ and there is no proper limit to the number of farms a person should own in Namibia because the free-market economy is in control of land ownership.
- *On farm workers*; the Conference ‘condemned the injustices on farm workers by some farmers in both commercial and communal areas’. Amongst others, the Conference resolved that ‘the government should enact legislation to protect farm workers from the occupational hazards of their work and extend the Workmen’s Compensation Act to include farm workers’. This was based on the understanding that many farm workers suffered and continue to suffer degrading conditions of poverty and repression, despite their contribution to the economic prosperity of the commercial farming sector (N.E.P.R.U 1991).

#### **4.4 Land Reform Policies and Legislations**

Access to, and ownership of land was among the most important concerns of the Namibian people in their struggle for independence. The long standing grievances about the injustices and inequalities of colonial land distribution needed to be addressed without delay. Hence, after independence in 1990, and following the 1991 historic ‘National Conference on Land Reform and the Land Question’, the Namibian government deemed it fit to develop legislations and policies to address the colonial injustices and inequalities in land ownership and access. However, the Namibian government under South

West Africa People's Organization (SWAPO) leadership committed itself to address land issue in a spirit of national reconciliation and to promote sustainable economic development. In order to ensure that land reform and 'redistribution' process takes place, the following policies and legal instruments were developed to guide implementation of the programme:

#### ***4.4.1 The National Land Policy***

The National Land Policy (NLP) was formulated and came into being in April 1998, eight years after independence, and seven years after the 1991 National Land Conference. The philosophy guiding the NLP is mainly 'to redress, in the spirit of national reconciliation and nation-building, the problem of land dispossession, discrimination, and inequitable distribution of land that characterised the pre-independence era' (Ministry of Lands and Resettlement 1998). The NLP is grounded upon the Constitutional principles of 'equality before the law; mixed economy based on public, private, co-operative, joint public-private, and co-ownership'. Article 16 (1) of the Namibian Constitution protects property rights, while the next paragraph (2) of the same article, somewhat contradictorily, sets out the constitutional requirements for property expropriation in 'public interest' with 'just' compensation.

The other principle of the NLP is 'to secure and promote the interests of the poor, ensuring that the poor are practically able to enjoy the rights and equal access to land and in security of land tenure'. The NLP further stipulates that 'the poor' as target group for resettlement refers to "the landless or those with little or insufficient access to land who are not in formal employment or engaged in non-agricultural business activities" (Ministry of Lands and Resettlement 1998).

#### ***4.4.2 Resettlement Policy***

The National Resettlement Policy (NRP) was formulated and signed by the Minister of Lands and Resettlement in 2001, almost eleven years after the National Land Conference of 1991. The NRP was based on the premise that during colonial period the majority (90% of the total population) of black people were restricted to uninhabitable homelands (communal areas) while the minority (about 8%) of white farmers were allocated the best farmlands, covering about 43% of the total commercial land in Namibia (Republic of Namibia 2001). Among the objectives of resettlement outlined in the NRP the following are more relevant to this study:

To redress past imbalances in the distribution of natural resources, particularly land;

To give a opportunity to the target group to produce their own food with a view towards self-sufficiency;

To bring small-holder farmers into the mainstream of the Namibian economy by producing for the open market and to contribute to the country's Gross Domestic Product (GDP)<sup>6</sup>; and,

To alleviate or reduce human and livestock pressure in communal areas (Republic of Namibia 2001).

The philosophy behind the NRP is that ‘resettlement’ does not simply mean providing people with land, housing, infrastructure, knowledge and skills to maintain and develop their new environment and entitlements. Instead, resettlement also means establishing an innovative attitude, in which the spirit of self-reliance is the underlying principle on which development is to be anchored by the government or the people themselves. Resettlement, as defined by the MLR, means a physical ‘movement of people from an area with insufficient resources to an area which is more likely to support a satisfactory standard of living’ (Republic of Namibia 2001). Resettlement in the Namibian context is a voluntary exercise whereby people in need of land for resettlement, apply and choose the preferred area for their own resettlement; in communal or commercial areas.

However, to be able to resettle people, it is of necessity to first have land which is suitable for farming or other economic activities where individuals, household or groups can be resettled and make sustainable living. It is therefore logical to argue that ‘good’ agricultural land with other supporting resources become the most important and decisive factor in achieving a sustainable resettlement. The NRP outlines three main categories of landless people who are supposed to benefit from the resettlement programme as follows:

- People who have neither land, income nor livestock, the 0-0-0 category
- People who have neither land nor income, but few livestock; the 0-0 category, and
- People who have no land but have income or are livestock owners, but need land to be resettled on with their families and to graze their livestock, the -0- category (Republic of Namibia 2001).

Despite outlining categories of intended beneficiaries the MLR does not know the exact number of landless people countrywide who should benefit from resettlement programme. The estimated number of 243, 000<sup>7</sup> landless people cannot be statistically verifiable because this figure was, apparently, based on all Namibians who came from exile towards independence in 1989. Since then, most of them have economically and socially benefited in one way or the other through Government reform programmes and initiatives. However, if this figure is correct, then it makes sense to argue that agricultural farmland has to be sub-divided into smaller economically viable farming units and redistributed to landless Namibians in order to achieve equitable land distribution and maximization of access to land. The problem with this categorization is that it creates wide loopholes that end up making every black Namibian legible for resettlement, thereby making the whole process of selection more complicated, cumbersome and time-consuming.

#### ***4.4.3 Land Reform Act***

The Agricultural (Commercial) Land Reform Act (ACLRA) was passed by the Namibian Parliament in 1995. This Act serves as the legal base upon which the 'redistributive' land reform programme is to be implemented under the custodianship of the Ministry of Lands and Resettlement. Among other provisions the Act:

- Stipulates that the State has a preferential right to purchase [or not] any commercial farm land offered for sale.
- Provides for a market-related compensation for any expropriated commercial farmland;
- Establishes a Land Reform Advisory Commission (LRAC) to advise the Minister of Lands and Resettlement on matters related to land acquisition and redistribution;
- Prescribes the manner in which commercial farm land has to be planned and allocated;
- Provides for the subdivision of large commercial farms into small-scale farming units and survey of such farming units for redistribution purpose;
- Restricts the acquisition of commercial farm land by foreigners;
- Establishes a Lands Tribunal to solve possible disputes over price between the willing sellers and the willing buyers.

#### **4.5 Land Acquisition Strategies**

The Agricultural (Commercial) Land Reform Act, No. 6 of 1995 provides a framework for the acquisition of agricultural land for redistribution purposes. The preamble to the Act states its purpose, being 'to provide for the acquisition of agricultural land by the State for purposes of land reform and for the allocation of such land to Namibian citizens who do not own or otherwise have the use of any or of adequate agricultural land'. Special attention is given to those Namibian citizens who have been socially disadvantaged by the past discriminatory laws or practices of colonialism. The Act was amended in 2000 to provide for the establishment of the Land Acquisition and Development Fund (LADF). In 2001 the Act was amended again to make provision for the imposition and collection of land tax on commercial farms.

##### ***4.5.1 Willing Seller Willing Buyer***

As stipulated in the Agricultural (Commercial) Land Reform Act of 1995, the State has the preferential right of first refusal [or acceptance] for any commercial farm land offered by willing sellers. As stated in the Act, 'to vest in the State a preferential right to purchase agricultural land for the purpose of the Act and to regulate the acquisition of land by foreign nationals' (The Act

1995). This means that every farmland that has to be disposed off should first be offered to the MLR, as representative of the State, and the State decides to buy or waive such land. The 'preferential right' seem to have created a monopoly buyer, the State, and this has discouraged landowners to offer good more farms (Rigava 2009). The financing of agricultural land purchase in commercial areas is done through the LADF by the Minister upon advice of the Land Reform Advisory Commission (LRAC). The MLR receives N\$50 million annual appropriation from Government for land purchase through the LADF.

The programme of land reform entails the acquisition of agricultural farmland from white farmers through willing-seller willing-buyers principle and redistribution such land to the landless or previously disadvantaged black Namibians. Debate around land reform during the 1990s has been dominated by number of farms acquired from white farmers and number of farms redistributed to blacks. This is usually expressed as a proportion of the total area of agricultural land owned by white commercial farmers at independence in 1990 in relation to the total number of landless Namibians.

Table 4.3: Farms bought through WSWB from 1991- (1995)<sup>8</sup> - 2008

Region	No. of Farms	Hectares	Cost (N\$ millions)	Av. Cost/Ha (N\$)
Erongo	8	78,316	15,080,085	193
Hardap	37	229,979	24,832,251	108
Karas	59	563,454	88,766,283	158
Khomas	6	33,126	11,598,950	350
Kunene	26	146,973	23,624,299	161
Omaheke	45	231,215	61,995,304	268
Oshikoto	14	62,328	6,737,672	108
Otjzondjupa	37	165,694	64,215,653	388
<b>TOTAL</b>	<b>232</b>	<b>1,511,084</b>	<b>296,850,497</b>	<b>196</b>
<b>Total Budget for land purchase</b>			<b>540,000,000<sup>9</sup></b>	
Expenditure as % of total budget			55%	

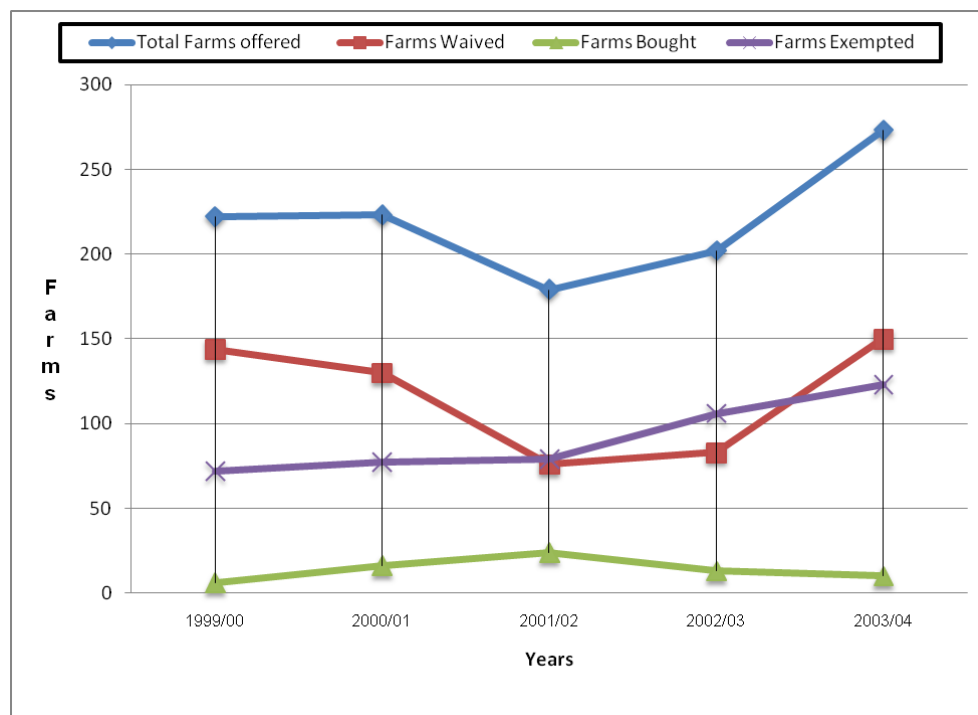
Source: (Ministry of Lands and Resettlement 2009)

Table 4.3 shows that from 1991 to the end of 2008 the MLR had acquired 1,511,084 million hectares (about 4%) of the previously white-owned farmland. During the same period the MLR spent about N\$297 million on land purchase only. Most of the farms (37%) were bought in the Karas Region, followed by Omaheke and Hardap Regions with 15% each. The average cost per hectare is N\$196. However, land seems to be expensive in Otjzondjupa and Khomas Regions, ranging between N\$350 and N\$388 per hectare. Table 4.3 shows that from 1991 to 2008 the MLR had spent only 55% of the total budget allocated for land purchase during that period. According to NPC requirements on development budget expenditure of 75% and above, the MLR would be considered not to have performed well with this low expenditure pattern.

In the process of land acquisition the Minister of Lands may also waive some of the land offered for sale on various reasons. Most of the farmland waived by the MLR are said to be ‘unsuitable’ for resettlement and the main reasons advanced are that of too much bush encroachment, rockiness, or that the prices are prohibitive and the location of the farm. The graphs in Figure 4.1a and 4.1b give an overview of farms offered and those purchased by MLR from 1999 to 2008/09 (see details in Appendix F (a) and F (b)). A high number of farms may be offered by the willing sellers like in 2003, as indicated in Figure 4.1a, but only 10 (4%) of those offered farms were bought by MLR in that year. Upon assessment of those farms by officials from MLR it was found that 150 farms (55%) of the offers were not suitable for resettlement purposes.

The situation is even worse in 1999 where only 6 (3%) of farms were bought out of 222 offers. Figures 4.1a and 4.1b show an increasing trend in the number of farms that were exempted each financial year, from 72 exemptions in 1999 to 123 in 2003, and 51 in 2006 to 83 exemptions in 2008/09. Figure 4.1b shows that the Ministry bought 47 (30%) of the farms that were offered in 2006/07 financial year, and only 3 (2%) were bought in 2008/09. Figure 4.1b also shows a situation where farms were withdrawn by owners after being offered; 22 farms withdrawn in 2007/08 and 19 in 2008/09 (see Appendix F (b) for details); reasons for withdrawal are not stated because the process is driven by a free market.

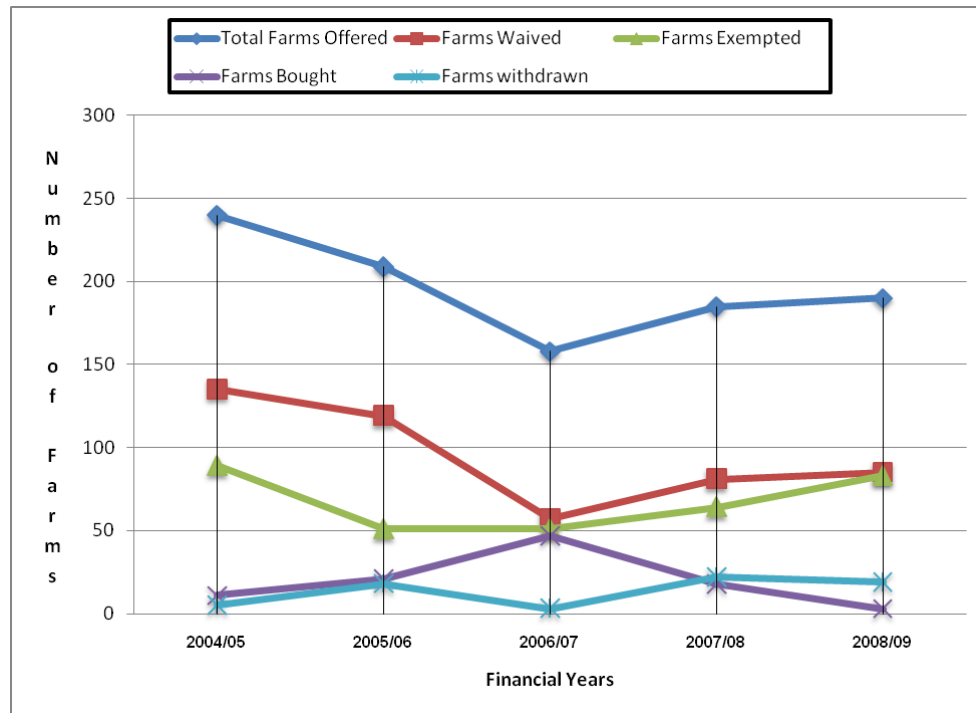
Figure 4.1a: Trend of farm offers, waivers, exemptions and purchases, 1999 – 2003



Source: (Permanent Technical Team on Land Reform 2005b)



Figure 4.1b: Trend of farm offers, waivers, exemptions and purchases, 2004/05 – 2008/09



Source: Statistics from MLR, 2009

Figures 4.1a and 4.1b further indicate that apart from waiving of farms a good number of farms that were offered in those two periods were exempted to allow AALS candidates to purchase those farms with loans from the Agribank. The increase in exemptions gives the impression that more farms are being bought by the previously disadvantaged Namibians through the Affirmative Action Loans Scheme or other financial institutions. Figure 4.1a shows a decline in offers in 2001/02 and then a rapid increase in 2003/04. This trend started declining and dropped again in 2006/07. Ironically, when offers declined in 2006/07, the Ministry bought more farms than in any other year.

Generally, Figure 4.1b shows a decline in farm offers from 2004 to 2006, and slight increase from thereon. A decline in farm offers leads to few farms being available for the Ministry to buy for redistribution. According to the Act, if the State decides not to purchase the farm, the willing seller is given a certificate of waiver by the Minister of Lands, and this gives the liberty to the landowner to sell such particular farm to any willing buyer in the market prior to the expiry of the waiver certificate. According to the information obtained from the Division of Land Use Planning in the MLR, farms are waived due to their bio-physical and socio-economic conditions. Most reasons advanced include the size (too small), absence of good and sufficient underground water, poorly developed infrastructure, the remoteness of a farm from other social amenities such as school, markets and health facilities (Ndala et al. 2004).

### 4.5.2 Land Expropriation

In March 2004 the Ministry of Lands and Resettlement announced that ‘expropriation of commercial farmland’ was to start; that the Ministry had put all the necessary mechanism in place to expedite this exercise in earnest. It was anticipated that expropriation would speed up the land acquisition and redistribution process because the WSWB process had been blamed for being too slow to deliver land to the landless. The ACLRA of 1995 gives the power to the Minister to expropriate agricultural land ‘in the public interest’ for resettlement purpose. The Act states that the Minister may, after consulting the LRAC and in case a land owner is not willing to sell his/her land, expropriate such land subject to payment of compensation in accordance with the provisions of this Act. In terms of the ACLRA, expropriation of agricultural land has to be carried out within the legal framework whereby land owners are paid a ‘fair’ compensation. This means a farm owner, though unwilling to sell can still be paid a market-related price or even more as compensation for the farm.

Table 4.4: Farms Expropriated in 2006

Region	Farm Name	Size (Ha)	Compensation Paid (N\$)	% of Total Compensation	Av. Cost/Ha (N\$)
Omaheke	Kansas	4,972	1,517,401	12%	305
Omaheke	Wyoming	5,038	1,684,223	13%	334
Omaheke	Groot Ruigte	5,919	1,737,915	13%	294
Otjozondjupa	Marburg	5,112	2,968,910	23%	581
Otjozondjupa	Okorusu	3,410	5,049,148	39%	1481
<b>Total</b>		<b>24,451</b>	<b>12,957,597</b>	<b>100%</b>	<b>530</b>

*Statistics from: (Ministry of Lands and Resettlement 2009)*

Table 4.4 shows that since the announcement of expropriation in 2004 the MLR had expropriated only five farms in 2006 totalling 24,451 hectares of land in two regions. 65% of land expropriated so far is found in the Omaheke region and remaining 35% in the Otjozondjupa region. An amount of N\$ 12,957,597 million was paid as compensation to land owners at market price. Table 4.4 shows the average cost per hectare for these expropriated farms is N\$ 530; this is three times more than the cost per hectare (N\$ 196) in willing seller willing buyer (see Table 4.3). Compensation paid for Farm Okorusu is far beyond other farms at N\$ 1,481/ha, followed by Farm Marburg at N\$581/ha.

The big question is whether this compensation is ‘at or above’ the market price. From this analysis one may conclude that expropriation of land with compensation to landlords at market price might be expensive compared to buying through willing seller willing buyer.

The MLR reported that about seven other farms that were earmarked for expropriation were pending because the owners took the issue to court and challenged the manner in which their farms were identified by the MLR as suitable for resettlement and thus legible for expropriation. Therefore,

expropriation is said to be in the 'intensive care unit' (ICU) since the MLR suffered legal defeat in court from the land owners during the Kessl legal challenge (Imbuwa 2009). While Haring and Odendaal stated that expropriation was halted because the MLR's administration of the expropriation process violated Namibian law on several grounds. The court criticised the MLR for mismanaging the expropriation process and thereby leaving the land reform programme in a state of disarray (Haring and Odendaal 2008).

## 4.6 Land Tax

The Act makes provision and gives the Minister of Lands and Resettlement to collect land tax on commercial farms. The Act stipulates that:

The Minister... may... impose a land tax to be paid by the owners of agricultural land and prescribe the rates, method of calculation and the time and manner of payment or collection of such tax and penalties for any failure to pay such tax or to comply with any provision of such regulation. Different rates of land tax may be prescribed under subsection (1) for different agro-ecological zones (The Act 1995).

The first land valuation was carried out in 2002 by the MLR valuers to determine the rate of tax. The rate is based on the unimproved site value of the farm; improvements on the land such as infrastructure are not included in the calculation. The formula for calculating the amount of tax to be paid is:

$$(size\ of\ farm \times unimproved\ site\ value\ of\ farm \times tax\ rate)$$

The objectives of introducing land tax are to discourage excessive land ownership and promote the full utilization of agricultural land as well as to generate revenue for the land reform programme. Currently the commercial land tax for Namibia is 0.75% of the unimproved value of the farm. The tax then progressively increases by 0.25% for each additional title deed farm. If a person (legal entity) owns more than one title deed farm measuring in total 6000 ha, the tax levied would be calculated at 0.75% of the bare land on the first farm and 1% on the second farm. A proposal to tax foreign absentee landowners at 1.75% was debated but initially suspended because there was no Act which gave the mandate to the Minister to impose tax on the basis of nationality. So far since the collection of land tax began the MLR, through the Ministry of Finance, is able to collect close to N\$ 30 million every financial year (Rigava 2009).

## 4.7 Land Redistribution Approaches

A comparative study conducted by the PTT in 2005 in order to gain some insight into the real economic benefits of land settlement programmes of the German and South African administration in Namibia found that a multi-faceted approach to land reform with emphasis on post-settlement support is of fundamental importance to achieve the policy objective of poverty

reduction, self-reliance in food security and increased access to land. Given the geopolitical context of that time, these programmes were racially based with the primary aim of making room for the new white settlers with limited, if any, provisions to protect the dispossessed indigenous Africans population. The Angola Boers Settlement and the Odendaal Relocation Plan were also carried out during the colonial period as ‘settlement’ programmes. Then the post-independence settlement is aimed at redistribution of land to reduce poverty and land inequalities in a free and independent Namibia. Since independence the two types of land ‘redistribution’ schemes, namely; the National Resettlement Programme and the Affirmative Action Loans Scheme have been implemented concurrently as strategies to speed up land redistribution.

#### ***4.7.1 National Resettlement Schemes (NRS)***

As indicated earlier on in this paper, the approach to land reform in Namibia is more of redistribution of commercial ‘freehold’ farmland to the previously landless black Namibians. The NRS is implemented by the Ministry of Lands and Resettlement, by following two approaches, namely; the Group Resettlement Scheme (GRS) and the Individual Resettlement Scheme (IRS).

*Group Resettlement Schemes:* The GRS sometimes referred to as ‘project farms’ were established before the enactment of the Agricultural (Commercial) Land Reform Act of 1995. At that time, immediately after independence, the MLR was confronted with a large number of landless people, more especially from the San communities and former farm workers. For example, Skoonheid and Drimiopsis Projects in Omaheke; Tsintsabis Project in Oshikoto and Queen Sofia Project in Kunene region. These people needed urgent attention in terms of resettlement (land) because they were left without any means of support when the apartheid South African army withdrew its military forces from Namibia. The San community were mainly dependent on SA military for food and some form of employment as ‘trekkers’<sup>10</sup>. While other Namibians were left without jobs when some white farmers left Namibia in fear of what would happen to them when SWAPO takes over government.

Given the above situation these group resettlement schemes were generally not properly planned. Large communities of more than 1000 households were resettled on farms that were inherited from other ministries or donated to the MLR by some ‘good Samaritan’ white farmers who had more farms. The group would use the land communally for growing vegetables, crops and rearing some few livestock. Some of the farms were used for drought relief purposes to provide landless people with emergency grazing for their livestock. Most of the emergency drought relief grazers ended up not leaving the farm because they had no alternative land to go to and graze their livestock. The MLR records indicated that by 1995 there were about 40 group resettlement projects countrywide, including those in communal areas.

*Individual Resettlement Scheme (IRS):* The IRS, as the name indicates, focuses on allocating demarcated agricultural land to an individual household. The IRS started after the enactment of the Act in 1995. It is a ‘more systematic and planned’ type of resettlement. This scheme entails the subdivision of large

farms into smaller allotments which are then given to individual households with exclusive rights to use such land. According to the norm set by the LRAC, based on agro-ecological zones of the country that determines the carrying capacity of land, a household is allocated a minimum of 1000 hectares of land in the higher potential (north/northeast) areas and a minimum of 3000 ha in the medium and low potential (southern) areas of the country. For an individual household to benefit from this scheme, certain procedures have to be followed as stipulated in the Act. Among the requirements is that one has to apply to an advertised allotment through the MLR and go through the whole lengthy process of selection.

Table 4.5: GRS and IRS figures from 1990 - 2005

Type of Resettlement	No. Of Households	Land Area (Ha)	Cost to GRN (N\$)	Cost per Household	Av. Ha/ Household
GRS	1226	195, 369	21,119,242	17,226	159
IRS	300	530, 477	81,600,527	272,002	1,768

Source: (P T T 2005b)

Table 4.5 shows that the average hectares per household beneficiaries under the GRS are very small (159 ha) compared to those under the IRS (1,768 ha). The IRS seems to provide beneficiary households with access to more land but at a higher cost to the State. In terms of financial implications, the State spent more (N\$272,000) on IRS households compared to N\$17,200 for GRS households.

Table 4.6: Households resettled on commercial farms from 1991 – 2008

Region	Number of families	Size (Ha)	Average Ha/Household	Farms pending resettlement
Erongo	30	63,727	2124	1
Hardap	171	65,285	382	1
Karas	153	532,548	3481	6
Khomas	26	33,125	1274	1
Kunene	186	138,079	742	5
Omaheke	1,246	325,063	261	0
Oshikoto	1,787	562,049	315	5
Otjozondjupa	128	163,024	1274	4
<b>Total</b>	<b>3727</b>	<b>1,882,900</b>	<b>505</b>	<b>23</b>

Source: Statistics supplied by MLR, 2009

Table 4.6 shows that from 1991 to 2008 the MLR has distributed 1,882,900 ha of land to 3727 households. The highest number of beneficiaries is in Oshikoto region with 1,787 and Omaheke with 1,246 households where, on average, 315 and 261 hectares respectively have been allocated per household. These two regions also have Group Resettlement Projects mostly for San communities who were left landless by the apartheid South Africa administration in 1989. More other hectares of land were bought in Karas

where each household is allocated the average of 3481 hectares. Erongo has an average of 2124 ha per household, followed by Khomas and Otjozondjupa with 1274 ha each. Table 4.6 also shows that 23 farms have not been allocated to beneficiaries; 6 of them in Karas, 5 in Kunene and Oshikoto regions respectively.

If the figure of 243,000 is considered as the total number of people who needed land at independence then it means there were about 40,500 households who were landless. Therefore, 3727 households resettled is 9% of the total households that need resettlement. Given this slow pace of land acquisition and resettlement, it means the process of land redistribution and its objectives of equity may take about 1111 years (Permanent Technical Team on Land Reform 2005b) to be realized. Table 4.6 also shows that land is still not equitably distributed among households by the current redistribution system. However, this is attributed to the agro-ecological zones of the different regions and the population distribution pattern; with the highly populated northern and eastern regions having more households compared to the less populated and dry Southern and Western regions.

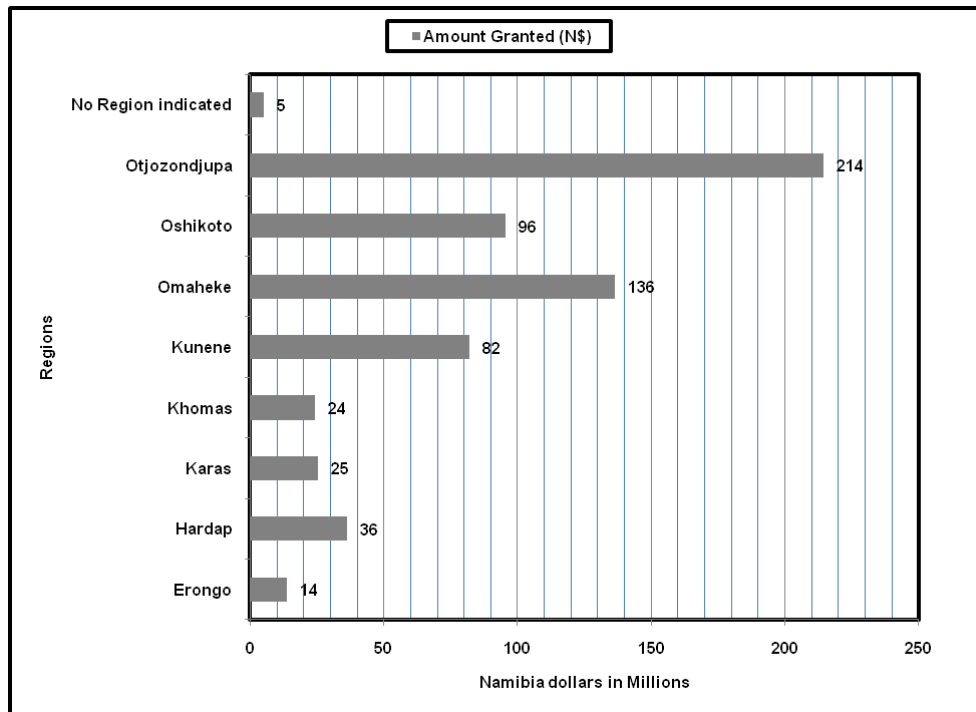
#### ***4.7.2 Affirmative Action Loan Scheme***

The Affirmative Action Loan Scheme (AALS) is a State-subsidised, market-assisted land reform scheme. Through this scheme formerly disadvantaged Namibians (blacks) may acquire agricultural land on a free-hold basis with the support of the State-subsidised loan. The scheme is under the management of the Agricultural Bank of Namibia (Agribank) on behalf of the Ministry of Agriculture, Water and Forestry. The main objective of the AALS is to encourage communal farmers with large livestock herds to move to commercial farms in order to relieve grazing pressure in communal areas. Secondly, the scheme is intended to advance the ownership of freehold farmland by formerly disadvantaged Namibians for them to become fully-fledged commercial farmers who produce for the market and contribute to GDP. Agribank provides subsidised interest rates ranging from 2% below prime rate for part-time farmers to 4% below prime rate for full-time farmers. By April 2009 Agribank had given out Affirmative Action Loans amounting to N\$ 634 million to 604 commercial farmers covering a total of 3.2 million hectares in commercial areas, and had also provided 266 communal farmers with loans amounting to N\$101 million covering a total of 1.89 million hectares in communal areas (The Integrated Land Management Institute 2009). Figure 4.2 indicates the amounts of agricultural loans given to AAL beneficiaries per region.

Figure 4.2 shows that Otjozondjupa has more loans granted (N\$214 million), followed by Omaheke (N\$136 million), Erongo got N\$14 million and the least is N\$5 million granted to others where the region was not specified. The AALS is becoming a more favourable scheme dominating the land market. Landowners (willing sellers) prefer to sell to AALS buyers rather than the State for two main reasons; flexibility and freedom in negotiating the sale and price of the land, and speed of payment once the deal is concluded. The

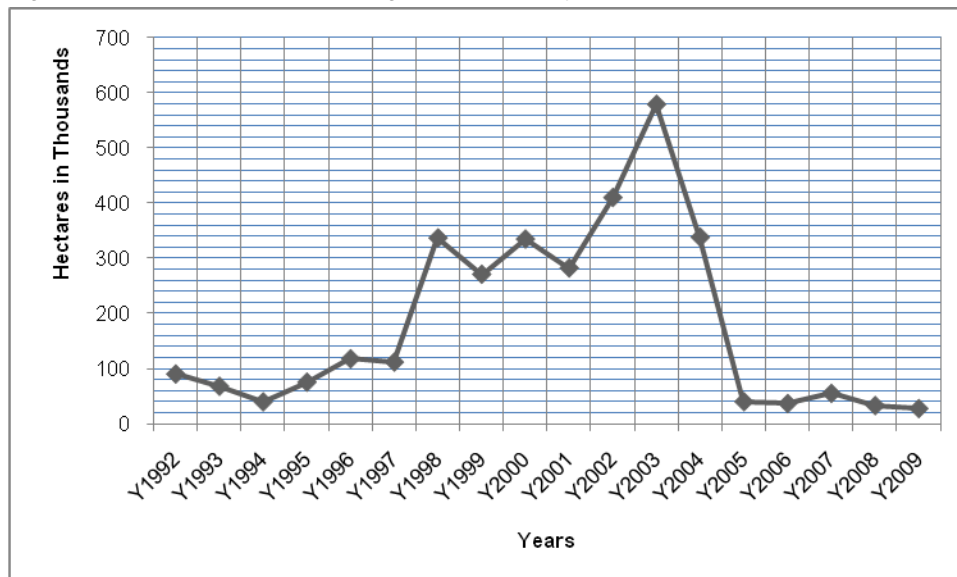
transactions are faster and less costly under the AALS compared to the more bureaucratic process when selling to the State.

Figure 4.2: Loan amounts granted to AALS per region



Source: Statistics from Agribank, 2008

Figure 4.3: Hectares acquired through AALS annually



Source: Statistics from Agribank

Figure 4.3, shows good progress in terms of hectares of land bought annually by the previously disadvantaged Namibians through the AALS. Since 1992 when the Scheme was introduced, a total of 604 farmers have acquired

agricultural land covering 3,241,352 hectares in commercial areas. More land was acquired from 1998 to 2004 with the most hectares close to 600,000 acquired in 2003. The trend dropped drastically in 2005 and remained very low until 2009.

However, AALS buyers also end up paying higher prices for the land. The fact that the loan is subsidised by government leads to increased demand for land and this high demand creates pressure on landowners to push up land prices. The question is whether this Scheme is really helping the poor because higher loans also mean higher debts for AALS buyers to repay. Most AALS farmers start farming with small herds in relation to the carrying capacity of the farm they bought, this means repayment is very difficult if not impossible. In addition, the topping-up of loans with the State guarantee induces higher land prices, because loans are always linked to the asking price and not to the valuation (Permanent Technical Team on Land Reform 2005b).

#### 4.8 Perceptions of Land Stakeholders on MBLR

As stated earlier on, land has a multi-dimensional character and hence it attracts the attention of nearly every citizen in a country. For Namibia, land reform programme has been a process of negotiations and discussion since 1991. Many stakeholders with varying interests have expressed their views and aspirations on the issue of land redistribution in Namibia. Table 4.8 gives a summary of views of each interest group on WSWB and expropriation with compensation at or below market price.

Table 4.7: Stakeholders' views on land acquisition mechanisms

Stakeholder	WSWB	Expropriate below market price	Expropriate at market price
NAU: Committed farmers & willing sellers	In favour but some want removal of time-consuming administrative and legal obstacles	Totally Opposed	In favour but some still demand criteria & transparency
Landless beneficiaries & general public	Indifferent	Mixed feeling because State pays	Mixed feelings because State pays
NAFWU	Opposed	In favour, compensate only infrastructure	Opposed; stolen land should not be bought
NNFU	Opposed, too long process	In favour	Opposed; pay for improvements only
MLR /Government	Good, protect property right and follow policy	Not possible because of property rights	Best; need to follow legal & admin procedure properly.

*Source: Information gathered from interviews, 2009*

Table 4.7 shows that among the NAU farmers there are those who are seriously committed with farming and those who are in trouble financially or otherwise and would like to abandon farming but pocket the proceed after selling the 'troublesome' farm. So, for the later group, selling at market price or

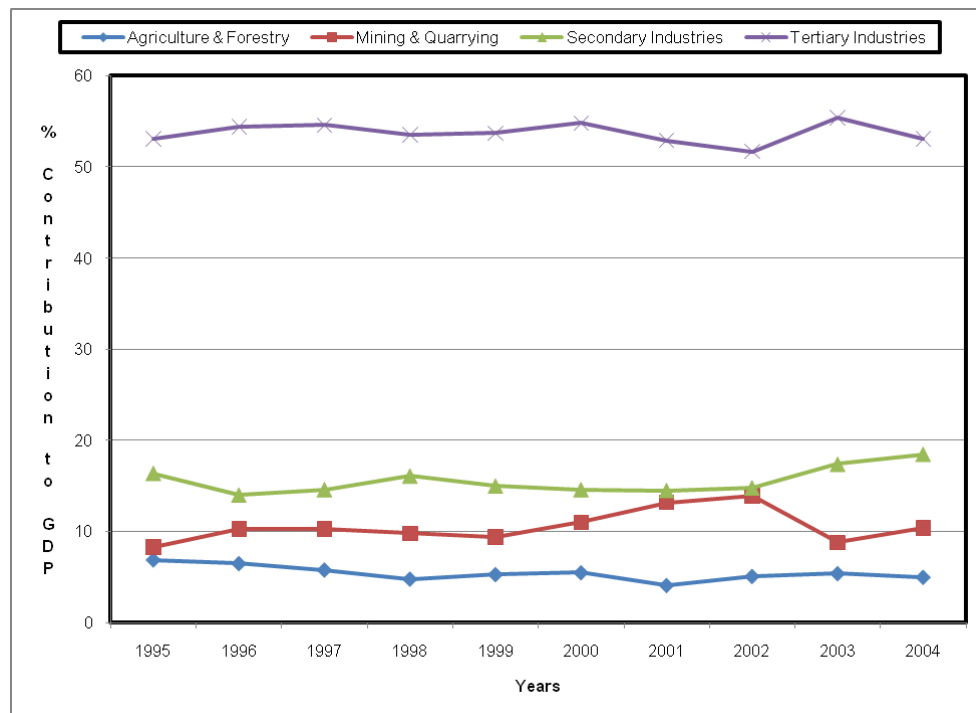


through WSWB is not a problem at all. However, all two groups are strongly opposed to expropriation with compensation below market price. Meanwhile, NAFWU and NNFU are opposed to WSWB and expropriation with compensation at market price. NAFWU is of the view that ‘stolen’ land should not be bought, while NNFU favours compensating improvements only.

#### 4.9 Agricultural Output and Contribution to Economy

The state of agriculture and its contribution to the national economy can help to understand the economics of land reform in Namibia. Using agricultural statistics from 1995 to 2004, this paper tries to indicate the contribution of the agricultural sector to the Namibian economy by simply using the notion of output or ‘productivity in the sense of market efficiency’ not in terms of size of land and other factors of production (Debraj 1998). The MAWF reported that agricultural output was not stable during 1995 to 2004<sup>11</sup> period; this instability was attributed to ‘variable rainfall conditions in Namibia that period’ (M a W F 2005). Figure 4.4 shows the position of agricultural sector (commercial and subsistence) and its contribution to the Namibian economy. Figure 4.4 shows that over the period under review, the overall share of agriculture in the GDP declined from 6.9% in 1995 to 4% in 2001. However, from 2002 agriculture’s share to GDP increased steadily up to 5% in 2004. Compared to other economic sectors, agricultural contribution has been the lowest throughout that period.

Figure 4.4: Position of agriculture in Namibia’s economy

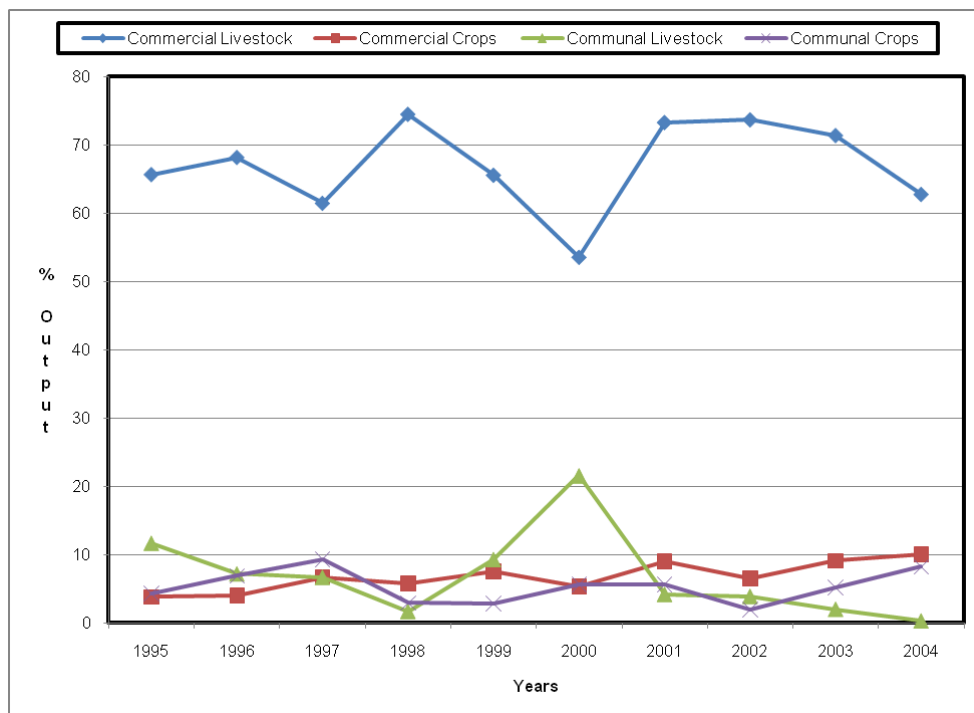


Source: (M a W F 2005)

Figure 4.5a compares agricultural output of the commercial and subsistence sub-sectors from 1995 to 2004. Agricultural output refers to quantity of

production multiplied by commodity prices, including intermediary goods. Figure 4.5a indicates that commercial livestock dominated the total agricultural output (mostly above 60%) relative to other agricultural sub-sectors with a decrease in 2000 and then increased steadily until 2004. The decrease in 2000 was attributed to the new levy imposed on export of live animals and this led to more animals being slaughtered domestically. The commercial crop sub-sector has been low but increased to 10% in 2004. The communal livestock sub-sector shows an increase in 2000 because the export levy did not affect communal farmers negatively; this led to high supply of livestock slaughtered at abattoirs in communal areas, especially the northern regions of Namibia.

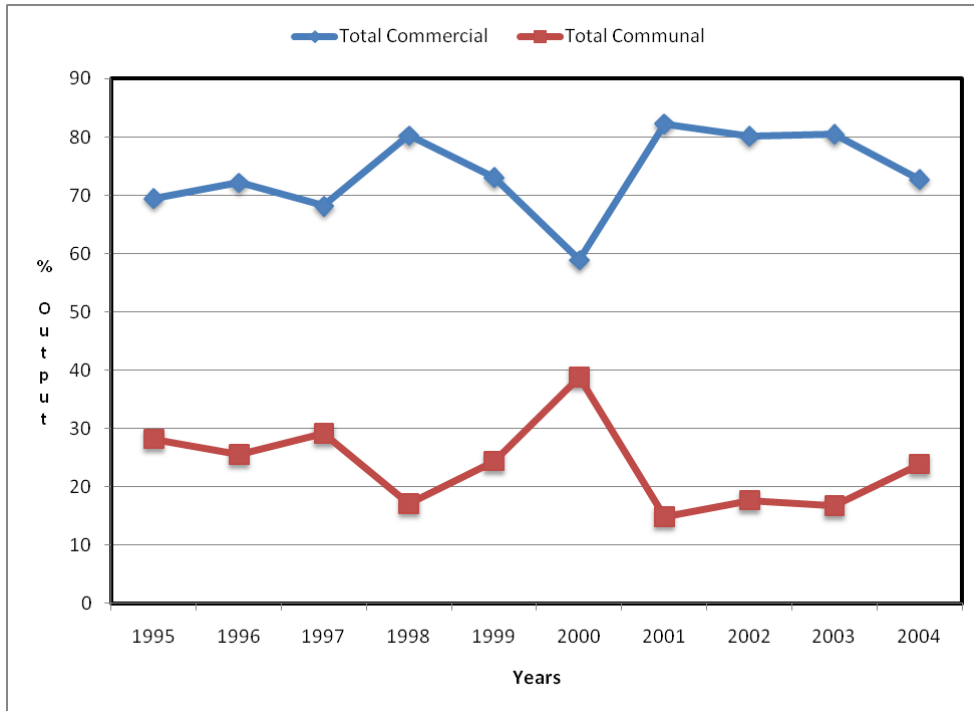
Figure 4.5a: Commercial and communal agricultural output



Source: (M a W F 2005)

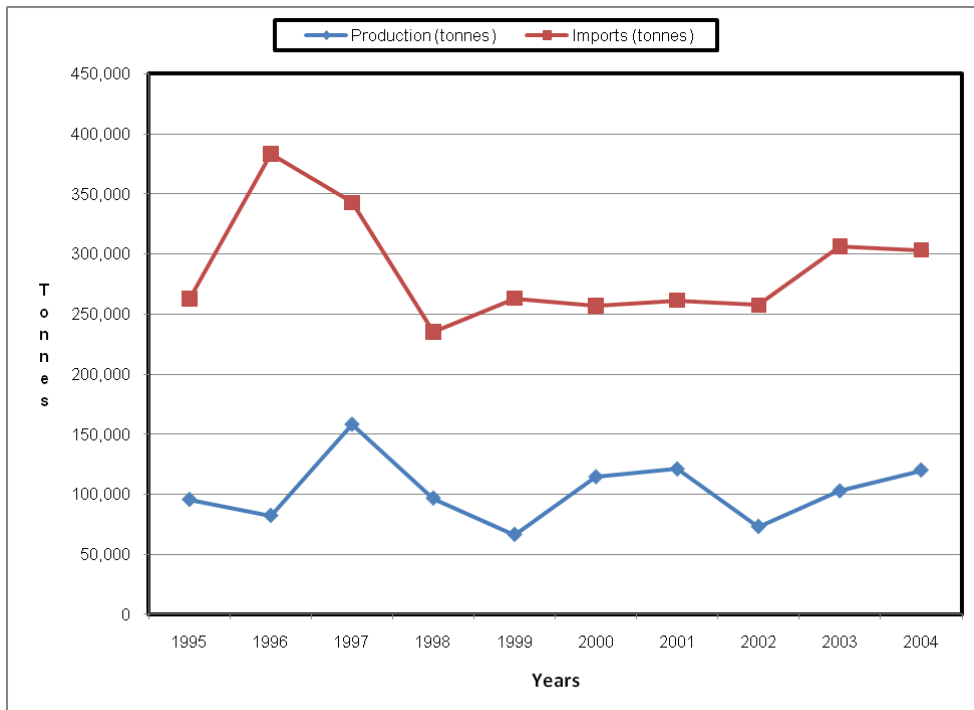
Figure 4.5b compares the total commercial and communal agricultural output, and shows that when the commercial output declined in 2000 the communal output increased. Throughout that period the commercial agricultural output has been higher than the communal. Figure 4.6 shows that cereal production is lower than cereal imports. This means during that period Namibia was highly dependent on cereals imported from other countries to supplement cereal deficit. This brief analysis on agriculture and its contribution to economy may not be enough to indicate whether land reform has impacted on agricultural productivity. This is mainly due to unavailability of data on agricultural production before 1990. Pre-independence data is necessary to make sound comparative analysis on this aspect.

Figure 4.5b: Total commercial and communal agricultural output



Source: (M a W F 2005)

Figure 4.6: Total cereal production and imports



Source: (M a W F 2005)

## **Chapter 5**

# **POLICY IMPLICATIONS AND CHALLENGES IN ACHIEVING EQUITABLE LAND REDISTRIBUTION**

### **5.1 Introduction**

The analytical discussion in the previous chapters, supported by evidence from qualitative and quantitative studies, demonstrates that as long as the rules governing access to and the distribution of the benefits from one of the economy's main assets, land reform policy is important for poverty reduction, good governance, economic growth, and environmental sustainability. This chapter concentrates on some of the socio-political and economic implications of alternative land reform processes and modes of compensation with the aim of achieving equity in land distribution. In this case the main focus is market-based land reform and using loans as a mechanism to enable previously disadvantaged communities to enter the commercial agricultural economy. The second issue is that of expropriation with 'fair' compensation at or below the market price.

### **5.2 Changes to Agrarian Structure**

For the past 19 years since independence the Namibian agrarian structure seem to have gone an insignificant shift in terms of blacks owning land equivalent to land still owned by minority commercial white farmers. The political and economic history of Namibia, from the German colonial occupation to the apartheid South African administration, has shown that the administrative acquisition and administrative distribution model was more efficient and effective in terms of achieving the objective of the land distribution. Within a period of less than 10 years from 1883, the German colonial occupation had managed to change the structure of land ownership in favour of the German settlers in the south and central Namibia.

The current land redistribution model driven by the market with very limited influence by the State does not lead to a drastic and fast change of the agrarian structure. Although the AALS seem to increase the pace of land ownership in favour of blacks, it is only the few affluent blacks who have access to collateral facilities who can benefit from this scheme. The majority landless poor like the retrenched farm workers have no chances at all of benefiting from this scheme. Given the slow pace of land acquisition and the unwillingness of the landowners to offer good agricultural land in the market, the market-based land reform in Namibia may take some more years to effect a significant change to the agrarian structure.

As stated by the PTT report of 2005, if the land redistribution continues at this 'snail' pace, it may take more than 1000 years for the MLR to resettle the 243 000 people (about 48,600 households) who are in need of land in Namibia. For this skewness in land ownership and distribution to be addressed might require a deliberate change of policy under the direct control

and implementation by the State. The market-based land reform might not be able to address the political and social aspects that are inherent within the land ownership and distribution system in a country like Namibia. Table 5.1 shows the disparity in terms of land ownership between the previously advantaged whites and the previously disadvantaged blacks.

Table 5.1: Commercial land ownership in Namibia by groups, 2008

Group of Owner	Farms/Units	Hectares	Av. Farm Size (Ha)	% of total Ha
Previously Advantaged:	4096	17,663,016	4,312	49%
White Namibians	4055	17,410,497	4,294	48%
Foreigners	41	252,519	6,159	1%
Previously Disadvantaged:	2817	6,014,747	2,135	17%
Affirmative Action Loan Scheme	758	3,564,424	4,702	10%
Resettlement Farms	276	1,529,168	5,540	4%
Farms Bought with Private Funds	271	921,155	3,399	3%
Corporate Entities <sup>12</sup>	2621	12,296,413	4,691	34%
<b>TOTAL HECTARES</b>		<b>35,974,176</b>		<b>100%</b>

Source: (N.A.U 2008)

Table 5.1 shows that by 2008 a total of 17,663,016 (49%) hectares of land was still owned by whites and foreigners compared to 6,014,747 (17%) hectares owned by previously disadvantaged (blacks). On average, foreigners and white Namibians own farms with the size ranging from 4,296 - 6,159 hectares compared to 2,135 for the previously disadvantaged group. The other bulk of farms (34%) are corporate entities registered as companies with Ministry of Trade and Industry, mainly used as lodges. This strategy by foreigners is being used to exploit the loopholes in the Act, leading to a decrease in number of foreign owned farms. The Resettlement Scheme of MLR has redistributed only 4% of that total agricultural land through willing seller willing buyer and expropriation, while the AALS claims 10% of the land distributed so far.

### 5.3 Role of Government in Land Redistribution

The extremely unequal and inefficient distribution of land ownership observed in Namibia was, and still remains, the outcome of power relations and distortionary policies rather than market forces. The analysis of these phenomena indicate that in all of these situations one cannot expect market alone to lead to equality of land redistribution at the rate that would be required to maximize efficiency and welfare outcomes. The World Bank has also acknowledged that in situations where a combination of historical processes and policy distortions has led to a land distribution that implies substantial under-utilization of productive economic resources, the operation of markets alone will not provide the poor with access to land at the level and speed required to deal with deep-rooted problems of structural backwardness and deprivation (Deininger 2003).

The role of Government is to plan and develop policies and programmes that are compatible with the prevailing social, political and economic conditions of the majority populace. This paper supports the argument that through expropriation legal means need to be established to reduce the cost of land acquisition to ensure sustainability of the land redistribution programme. For example; making room to allow expropriation of idle land, use of land ceilings; foreign owned land, and compensation formula that take into account how the land was acquired originally, or which pay only market value for improvements on the land and not the raw land (Binswanger 1996). Confronted with the appalling inequalities in land distribution, the Government of Namibia realised that land is a multi-dimensional factor and requires proper attention. The Namibian Vision 2030 states that 'land is used appropriately and equitably, significantly contributing towards food security at household and national levels, supporting sustainable and equitable growth of Namibia's economy...' (G.R.N 2004)

When land and other policies have discriminated against specific groups in the past, like the black Namibians, actions to empower the poor by providing them with equal access to economic opportunities will be justified. Given the multiple channels through which a highly unequal distribution of land ownership can reduce economic, political and social development, government involvement to hasten such restructuring can be justifiable as an investment in a country's long-term development. Government that introduces deliberate but strategic policy for land redistribution would advance the land reform programme by enabling the acquisition of more land, much faster in the most prime agricultural areas. As stated by Haring and Odendaal, 'another strategy to improve government support for previously disadvantaged black farmers is to identify and acquire blocks of land and concentrate support resources among those block of farms. This approach would provide for more efficiency in resource utilization and support when these farms are subdivided and reorganizing the country's agricultural base. This is a necessary element of any land reform process centred on poverty alleviation and equity' (Haring and Odendaal 2008).

## **5.4 Cost, Political and Economic Implications of Land Redistribution**

### ***5.4.1 Financing Land Redistribution***

The desire to allocate large plots of land for beneficiaries to derive a livelihood from agriculture only has often reduced the impact of land redistribution while increasing the cost of their implementation. The inefficiency here lies in the fact that in many cases resettled beneficiaries have no ability to obtain working capital, and this prevents them from making full use of the land allocated to them. Access to credit facilities is often crucial to the prospect of escaping poverty and landlessness by rural households. The lack of access to credit will retard economic growth and perpetuate poverty and inequality. The landless have fewer or no opportunities for private credit, because they do not have

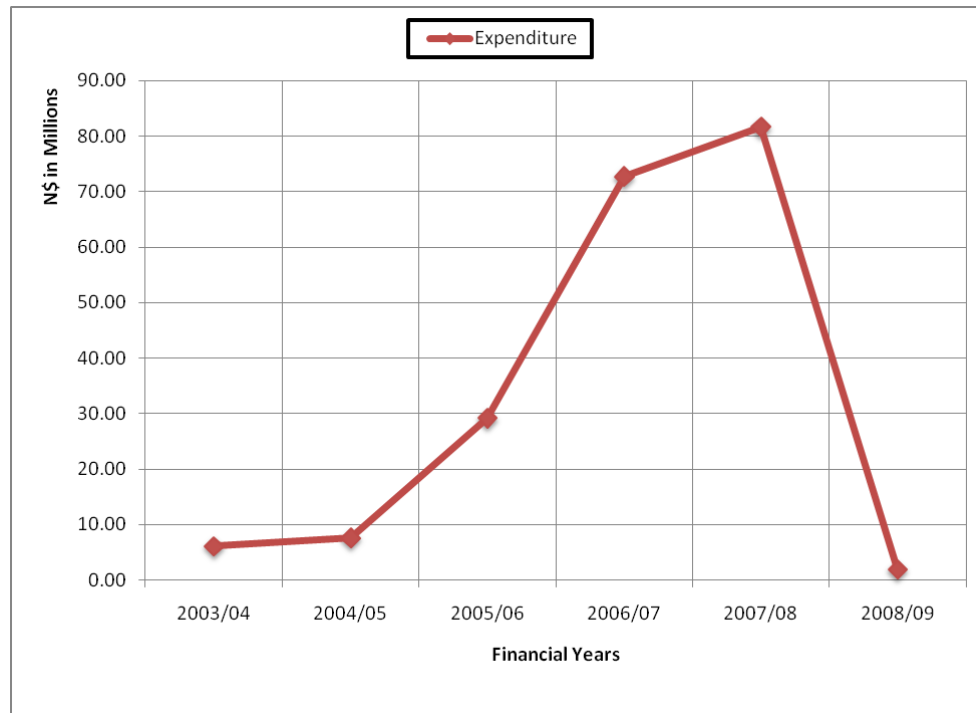
means for collateral. Advocates of market-based land reform have often argued that it will help in the development of credit markets by allowing farmers to use their land titles as collateral in obtaining finance. However, one may also argue that the rural landless may well be locked out of these opportunities because they do not have this form of collateral as demanded by commercial financial institution (Ravallion and Van De Walle 2008). Therefore, it makes sense to prioritise public credit through antipoverty programmes to benefit the landless poor or the newly resettled farmers.

In trying to widen access to credit for the previously disadvantaged resettled farmers, the MLR and the Agribank signed a Memorandum Of Understanding (MOU) in February 2009 to provide 'post-settlement support to resettled farmers' (M.L.R and Agribank 2009). The MOU states that 'each institution dedicated N\$10 million (total of N\$20 million) to be made available for resettlement beneficiaries as loans to enable farmers to acquire agricultural implements and equipments to increase productivity (M L R 2009c). It was estimated that the scheme would give loans to 3000 new farmers. This credit facility is intended to providing financial assistance for farming purposes to those beneficiaries who cannot afford collateral. This initiative was based on the fact that commercial banks in Namibia were not ready to accept leaseholds of resettled beneficiaries as means of collateral; a failure of the market-based land reform.

Apart from this and AALS initiative, the Government has committed to allocate funds for a land acquisition and development fund. From 1991/92 to 2002/03 (12 years) the MLR received N\$20 million annually for agricultural land purchase, and this amount was increased to N\$50 million annually from 2003/04. This means from 1991 to 2008 (18 years) the LADF had received N\$540 million, as shown in Figure 5.1. This Fund accumulates all unspent moneys including revenue collected from commercial land tax.

Evidence shows that the annual expenditure by MLR from the Fund has not been consistent from 2003/04 to 2008/09 as illustrated by the graph in Figure 5.1. The highest expenditures were recorded in 2006/07 and 2007/08. Then in 2008/09 the expenditure fell down dramatically to be the lowest during this period. The MLR received 190 farm offers, bought only three farms, waived 85 and exempted 83 farms (see Table 4.4b). According to MLR the low number of purchase was due to 'offers that came slowly and most of them were found not suitable for resettlement; high demand by the AALS candidates to acquire farms, coupled with price negotiations that are cumbersome and take long complete' (P R T I S 2009).

Figure 5.1: Expenditure pattern from the LADF



Source: (Statistics from MLR, 2003 – 2008)

#### ***5.4.2 Politics and Social Aspect of Land Redistribution***

Land redistribution cannot be implemented without considering political and social implications. Historical experience elsewhere has shown that in most cases, the primary motivation for undertaking land reforms has been political rather than economic (Herring 1999). History has proven that past land reforms in many countries often aimed at calming social unrest and allaying political pressures by peasant organizations rather than increasing productivity. Governments initiated many land reform programmes in Africa and Latin America mainly in response to political pressure not as part of a long-term rural development strategy. As a result, land redistribution was often designed ad hoc without matching the needs and capacities, and commitment to them faltered once social emergencies subsided (Barraclough 1970).

The political nature of land reform programme implies that even in situations where such programmes can lead to significant improvements in productivity and household welfare, as in the case of Brazil, countries are unlikely to undertake them unless a strong political movement campaigns effectively for their implementation (Teofilo 2002). An example is the case of Ongombo farm in Namibia where the Namibia Farm Workers Union put pressure on Government to expropriate the farm due to sour relations between the landowner and the farm workers (Angula 2009) (Harring and Odendaal 2008).

Proponents of MBLR are of the view that a land acquisition method that is voluntary and provides 100 per cent payment to landlords for 100 per cent market value will lead to successful land reform. This view seems



to turn a blind eye on the relationship between people and ownership of land. When understood as power redistribution, land redistribution and voluntary policy of the market become inherently contradictory terms. Landlords in Namibia and elsewhere are unlikely to give up power voluntarily in favour of the previously powerless peasants, 'despite attractive monetary valuation of their farms' (Borras 2005).

## **5.5 The Role of Donors in Land Reform**

Since the beginning of land reform through WSWB in Namibia the donor community has been watching and keeping a low profile. Though there was no formal agreement, it was anticipated that former colonizers, Germany and South Africa, would give support to land reform in Namibia, hence the Government adopted a land reform programme based on the World Bank's market-led land reform model. For the World Bank, the market is the most economically efficient mechanism to distribute land and reduce poverty. The Government has been 'doing it alone' until around 1996/7 when the Dutch Government provided funds for 'capacity building' to train MLR personnel in Land Use Planning and GIS.

In 2001/02 the German government, after being pressurised by Namibian government and the Herero community, agreed to support land reform initiatives but not purchasing of farms. One would argue that Germany did not want to 'dispossess' some German whites who still owned commercial land in Namibia, instead opted to support land reform in communal areas. There were about 2500 Germans owning commercial farms in Namibia (Legal Assistance Centre 2006). Most of the support by Germany has been directed to 'software' not 'hardware' of land reform; mainly research studies, supplying computers and training/workshops for land board members in communal areas. In 2006 the German government started to provide funds for development of infrastructure on small scale farming, still in communal areas. The Germany/Namibia governments signed an agreement in 2007 to support development projects for communities who suffered under German colonial rule a century ago. Beneficiaries include the Herero, Damara, Nama and San communities (Weidlich 2009). The 20 million euro project was made available to contribute to 'poverty alleviation in areas which Germany has special historic ties', and was made in the spirit of 'national reconciliation, poverty reduction and economic growth' (Weidlich 2009).

The Spanish government also gave support to the resettlement projects by providing some livestock and training in horticulture. Then the European Union 'jumped onto the wagon' to support land reform through the 'Rural Poverty Reduction Programme under the 9<sup>th</sup> EDF. The underlining principle or conditions attached to these donor funds is that they cannot be used to buy land for resettlement in commercial areas. One would argue that this condition is deliberately put to protect the white farmers from losing their source of economic and social power through land redistribution programme.

## Chapter 6

# SUMMARY OF FINDINGS AND CONCLUSION

### 6.1 Missing Targets

Land reform in Namibia, like in some countries across southern Africa, continues to be an emotive and racially sensitive issue, where the government is trying to give back land to black farmers that was taken from them by former white colonialist and apartheid governments. After the end of apartheid in 1994, South Africa's ruling party, African National Congress set itself a target of transferring 30% of all agricultural land to the blacks by 2014. But progress towards the target has been slow and only about 6% of that land has been acquired and transferred amid funding problems that might prevent the 30% goal from being achieved. In Zimbabwe, many white farmers have been forcibly evicted from farms by President Mugabe's government since 2000, causing a slump in agriculture, once the country's economic mainstay since 1980 (Zigomo 2009). The effects of the market-based land reform in Namibia, in terms of changing the agrarian structure and access to land for poverty and inequality reduction has been, and continue to be, complex but minimal results.

There has been minimal pro-poor transfer of economic power for the effective control of land resources. The Namibian government set a target to acquire 9,000,000 hectares of land to resettle about 243,000 landless. The MLR set a target of acquiring 86,000 hectares and resettling 72 households per year from 2004 – 2009. However, the trend of land acquisition has not been consistent throughout this period and the number of farms waived has been increasing. For example, from 1999 to 2004 the MLR acquired 461,964 hectares, which is about 5% of the required 9,000,000 ha (Ndala et al. 2004). Ironically the Ministry waived 4,260,000 hectares, which is about 47% of the 9,000,000 ha required. The official newsletter of the MLR reported that at the end of the 2008/09 financial year only 3 farms of 1,537 hectares were bought (P R T I S 2009). At the beginning of 2009 the MLR translated its Strategic Plan and developed a balanced scorecard (BSC), whereby new targets of 'acquiring 534,000 ha and resettling 296 families per year' were set (M L R 2009a). By October 2009 the MLR indicated that only one farm has been acquired so far.

This paper argues here that if all the farms offered were found suitable for resettlement the Government could have bought them and reached 53% of the target by 2004. This means land redistribution programme could be completed by 2018. The whole land redistribution programme would thus take 28 years to be realized. On the contrary, statistics have shown in Table 5.1 that by 2008 only 17% of the commercial agricultural land has been transferred to the previously disadvantaged groups (blacks) since the land redistribution began early 1990s. The previously advantaged group (white Namibian farmers and foreigners) still own 83% of the commercial land in Namibia.

## 6.2 Economic Implications of Land Redistribution

Land redistribution in Namibia, despite been led by market forces, has been, and still remains more of a political agenda than addressing economic and agricultural productivity. The MLR, through cumbersome process of WSWB, has done a commendable task to provide land to the black farmers. Each beneficiary is expected to make such land more productive. However, these 'new' farmers were not given adequate and well-designed 'post-settlement support'. Some farms that were productive prior to resettlement have become unproductive. As Honourable Clara Bohitile expressed her concern that,

resettled farmers [are] put on formerly productive land, only to turn it into useless patches that make no contribution to socio-economic development... farms acquired for resettlement purposes are lying idle for prolonged periods before assigned to beneficiaries...people could be resettled promptly to avoid invasion by intruders who cause widespread destruction to property (Nampa-Ap 2009).

The PIA survey carried out by MLR reported 'a steady accumulation of assets' (livestock) by resettlement beneficiaries, but 'most households are still far from building a herd size that could provide a secure livelihood', therefore, 'with exception of a few cases, stock ownership is still low in most cases below the threshold of 100 LSU considered a base for an economically secure livelihood' (M L R 2009b). However, commercial farming remains one of the major contributors to Namibia's economic growth.

## 6.3 Can MBLR Work For Namibia?

Without making recommendations, this paper suggests the following as 'desirable features' of a land redistribution programme that may reduce land inequality and change the agrarian structure:

- The government should make legal and policy instruments that guide land acquisition and redistribution consistent with the broader objectives of poverty alleviation land and national development.
- Provision of post-settlement support (training, finance, farming equipment, farm infrastructure) to newly resettled farmers could be a complete package with clearly defined operational mechanism.
- The Government with support and active participation of commercial farmers could develop a 'cut-off' point in defining maximum size of land one may be allowed to own.
- The desire for land reform should not be seen as coming from the top but also reflect concerns from farmers (Ravallion and Van De Walle 2008).
- Identify and expropriating excessive 'agriculturally idle' land and distribute such land to the landless that can then be supported to make it productive.

- Land reform, despite being a highly emotive and racially sensitive issue in Namibia and elsewhere, should balance between socio-political and economic objectives, but remain production-oriented.
- Within the spirit of national reconciliation, white farmers who still have excessive land should learn to share because the consequences of a revolutionary land reform do not discriminate.

## 6.4 Conclusion

This paper has argued that land is different from all other factors of production because of its multi-dimensional character. Secondly, land-linked social, political and economic relationships are a result of different historical landed property rights; hence, in many agrarian settings these linkages are economically inefficient, socially exclusionary, and culturally alienating and politically disempowering.

As stated by Akram-Lodhi and others, this paper agrees with the argument that the State, civil society and the character of production are not separate analytical categories but rather factors that are inherently linked to each other by their association with the politics and economics of the land resources (Akram-Lodhi et al. 2007). Therefore, redistribution of wealth and power from the landed elite to the landless poor peasants is the essence of land reform. Even within the strictly economic perspective about land, equitable redistribution of wealth is absent in the market-based land reform. This paper agrees with the argument that ‘exchange’ of goods in the market between sellers and buyers is not the same, or do not necessarily constitute redistribution of wealth, land in this case (Borras 2005).

Based on the available evidence, this paper concludes that market-based land reform (MBLR) schemes of willing seller willing buyer, expropriation with compensation at market price and the AALS, do not promote redistributive reform. Politically, socially, economic and policy-wise, these schemes have provided white landlords better and broader means by which they can quickly consummate their evasion from redistributive land reform. This is evident in settings like Namibia where the landed class remain entrenched within the state and society enjoying the support of the international community and legal protection.

Finally, this paper supports Borras’ argument and observation that ‘the fundamental flaw of MBLR and its related schemes lies mainly in the overemphasis on purely monetary-economic doctrines rather than on the multi-dimensional, political-economic nature of property rights and land use, as well as redistributive reform’ (Borras 2005). This view is supported by Akram-Lodhi and others that ‘the benefits that accrued to the rural economy from integration into the global economy were, and continue to be skewed in favour of those that initially controlled assets (Akram-Lodhi et al. 2007). Therefore, the impact of neo-liberal globalization on the agrarian structure in Namibia has been, and continues, to ‘reinforce the social and economic power of the previously advantaged landed and dominant elite.

## Notes

<sup>1</sup> Veterinary Cordon Fence (VCF), well-known as 'Red Line' is a fence that was erected during the colonial period to serve as a buffer zone to control free movement of people and animals mostly from the northern parts of Namibia (then Kaokoland, Ovamboland, Kavango and Caprivi).

<sup>2</sup> Lüderitz is a coastal harbour town along the west-coast of Namibia, named after a German trader Adolf Lüderitz, who, in 1883, claimed the rest of the coastal region after negotiating (unfairly) with Chief Joseph Fredricks of the Nama.

<sup>3</sup> Police Zone included areas that fell within the sphere of influence of railway line or main roads. The Police zone separated that part of Namibia which was later settled by white farmers from those areas where peasant communities were largely left intact, namely, Kaokoland, Ovamboland, Kavango and Caprivi.

<sup>4</sup> Plots are not calculated as farms – they are excluded from the total

<sup>5</sup> These were communal areas where blacks lived and provided cheap labour to commercial farmers and mining industry in the Police Zone.

<sup>6</sup> The contribution of commercial agriculture to GDP in Namibia has varied (decreased) from 4.9 in 1994 to 2.8 in 2000, while communal agricultural sector has increased its contribution from 1.7 in 1993 to 2.7 in 2000.

<sup>7</sup> In 1991 the Namibian population was 1.4 million; this means 243, 000 is about 17.4% of the population at that time that needed land for resettlement.

<sup>8</sup> 1995 marks the year when the Agricultural (Commercial) Land Reform Act was passed by Parliament and its official implementation started, especially the buying of farms through willing seller willing buyer process.

<sup>9</sup> The MLR had an annual allocation of N\$20 million since 1991/92 for land purchase only; this annual allocation was increased to N\$50 million in 2003/04, to cater for land purchase and farm infrastructure development; a Fund called 'Land Acquisition and Development Fund' was then created.

<sup>10</sup> Trekker is an Afrikaans word, meaning somebody employed in the army and has the ability to distinguish footprints on the ground and able to follow them. San men were mostly used as trekkers in the South African army to trace footprints of SWAPO combatants during the war of liberation.

<sup>11</sup> In 2004 the South African Rand was strong against major US dollar and British Pound. This affected the Namibian dollar that is pegged to the Rand on one-to-one basis. This had a negative impact on the Namibian meat industry due to its dependence on exports. The exchange rate was US\$1:5.67 Nam Dollar and British Pound was 1: N\$10.84.

<sup>12</sup> Corporate Entities are farms converted into lodges and tourism activities as close cooperatives (CCs), mainly owned by overseas foreigners who enter into tourism as business agreements with local Namibians.

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## APPENDIX A:

Overview of Land Reform Events and Milestone 1990-2008  
(Adapted from a paper presented at *'The AFRICAN PRESIDENTIAL ROUNDTABLE', HELD IN BERLIN, APRIL 2009: "BRIEF ON LAND REFORM PROGRAMME IN NAMIBIA"*)

Year	Event and general remarks
1990	At the first session of the National Assembly, a motion was introduced proposing that the Office of the Prime Minister convene a conference on land. The Prime Minister supported the motion, describing this matter as one of great urgency.
1991	<b>The National Conference on Land Reform and the Land Question.</b> Commentators hailed the conference as a milestone and pacesetter for the Namibian land reform process.
1992	<b>The Committee on Commercial Farmland made recommendations</b> that were taken into account during the drafting of the Commercial Land Reform Act of 1995. Consultations by the committee were limited to written submissions from institutions and individuals.
1994	<b>A People's Land Conference was organised by institutions of civil society.</b> Resolutions of this Conference emphasised the participation of civil institutions in policy debates which led to the NGO Working Group on Land.
1995	<b>The Commercial Land Reform Act No. 6 of 1995 was passed.</b> Critics feel the Bill was passed too hastily, with limited consultation.
1996	<b>The First Working Paper on Communal Land unofficially circulated.</b> Civil institutions (NNFU, RISE, NDT) began consultations with rural communities to obtain their input.
1996	<b>President declared a moratorium on illegal fencing in communal areas.</b> Fencing continues despite the moratorium.
1997	<b>The National Resettlement Policy was passed.</b>
1998	<b>National Land Policy adopted.</b> Provides for establishment of Land Use and Environmental Board (LUEB) and land boards.
1999	<b>The Communal Land Reform Bill introduced in Parliament.</b> Voted against by National Council and referred back to Parliament for re-introduction.
2000	<b>The Agricultural Commercial Land Reform Amendment Bill was introduced.</b> Amendments made provision for the establishment of the Land Acquisition and Development Fund.
2001	<b>The Communal Land Reform Act re-introduced in Parliament.</b>
2001	<b>Revision of the National Resettlement Policy.</b> No major changes other than main target groups. No explicit mention of farm workers or how they would benefit.
2001	<b>Land tax regulations introduced.</b> Legal provisions delayed implementation.

- 2002 **The Communal Land Reform Act No. 5 of 2002 was passed by Parliament.**
- 2002 **The draft Land Tenure Policy advocated for group property management for communal grazing.**
- 2002 **Amendment Act No. 13 of 2002 to Agricultural Commercial Land Reform Act of 1995** provided for the establishment of the Lands Tribunal.
- 2003 **Communal land boards established.** One hundred and sixty-six members nominated in 12 regions.
- 2003 **Amendment Act No. 144 of 2003 to Commercial Land Reform Act of 1995.** Introduced public interest as the only criterion for expropriation.
- 2003 **NNFU/NAU joint venture: Emerging Farmers Support Programme.** (A joint venture project of the agricultural unions to support land reform.)
- 2003 **Establishment of the PTT** to evaluate land reform in Namibia.
- 2004 **Announcement of land expropriation programme.**
- 2005 **Approval of PTT report by Cabinet** where Targets of Land redistribution in Hectares were increased to 15 million hectares to be redistributed and to be reached by year 2020.
- 2006 **NAU and NNFU Emerging Farmer's skills sharing training programme** launched and funded through the **Rural Poverty Reduction Programme under the EDF9.**  
07 November 2006 the Namibian Government and the **German Bank for Infrastructure Development, KfW**, signed a Separate Agreement which provides for KfW project co-financing to the tune of **Euro 5,12 million** towards the updating of under-utilised land, stakeholder consultation on needs, and development process of small scale farms.
- 2007 Development of infrastructure of the Small Scale farming units in the Communal Areas. The first tranche (half of the Euro 5,12 million), that, N\$24, 7 million was transferred to start the activities.
- 2008 The new Land Registration Road Map developed by technical expert **through Rural Poverty Reduction Programme under the EDF9** and approved by the Ministry. Revision of Resettlement manual including new selection criteria of beneficiaries for resettlement.

## APPENDIX B:

### Open-Ended, Semi-Structured Interview Held With a Ministry Official of MLR, August 2009

*Question 1: Since 1991 the Government of Namibia, through MLR, has been implementing a land reform programme; what are the objectives of land “re-distribution”/ reform in the Namibian context?*

KOI: The objective of the land reform and resettlement programme is two fold namely;

- To re-dress the existing imbalance in land ownership in the country through equitable allocation of land among the Namibian citizens (*Political dimension*),
- To acquire farm (agricultural) land for resettlement for poverty alleviation (*economic dimension*).

*Question 2: In your view, how much of the land reform objectives have been achieved so far during the past 19 years? Motivate.*

KOI: In terms of the size of the land that has been acquired and transferred to the previously disadvantaged landless Namibians both through the AALS and the National Resettlement programme (NRP), I would say that significant results has been achieved. However, as to whether the land acquired and allocated is attaining the poverty alleviation objective, that remains to be verified since, despite numerous academic publications, including the PTT report, there is no means of verification in place to determine that. Currently I would say that there is very little (if not any) information on record within the MLR about the beneficiaries of resettlement and their progress. In the absence of any credible focused evaluation and monitoring process, it remains very challenging to pass judgment on the progress (successes & failures) of land reform in Namibia from both perspectives (i.e. economic & political). This constraint is further exacerbated by the absence of clear (well informed) targets in terms of the size of land and the number of people earmarked to benefit in this programme. Without a clear target, it is difficult to measure the level of achievement or failure in this regard.

*Question 3: Why did the Government of Namibia adopt the willing seller willing buyer as a policy approach to acquire and “re-distribute” commercial agricultural land?*

KOI: I cannot refer to any specific reason as to why; my assumption is however that, this is viewed as a fair and more democratic approach that takes cognizance of the economic aspiration of the nation at large. Namibia being a free market economy this approach is the more appropriate one, as it very minimally disrupts the agricultural activities in the country in the sense that, white land owners are guaranteed some form of certainty (surety) over ownership of their farms thus, they can continue to invest and produce freely. More so, W-B W-S is a better concept to operate with especially judging from the shadow that was cast over expropriation by the international community following the events in our neighboring Zimbabwe.

*Question 4: Is the willing seller willing buyer a viable policy option in achieving the objective of “equitable” land “re-distribution”?*

KOI: Judging from experience, I would say no and yes.

*If yes, what are the achievements?*

KOI: So far we have managed to keep the agricultural industry running without any major disruptions associated with forced land acquisitions as we have observed in Zimbabwe. Because of this, we have so far succeeded in gaining the international community’s confidence in terms of upholding our own laws and respecting the property rights of our citizens and those who own properties in this country. This to me is a plus.

*If no, what are the obstacles or constraints?*

KOI: So far we have seen that the W-B W-S system have been criticized as being too slow and somewhat expensive. We have seen that there has been a short supply of quality land (land suitable for resettlement) and most of the offers received have not met our expectations in terms of resettlement. One can therefore conclude that this approach is delaying the land reform and resettlement process in that, despite the willingness of government to buy suitable farms, there are no willing sellers of suitable land, and this is a serious constraint.

*Question 5: The Government introduced land tax on commercial farmland; what role does the land tax play in the land re-distribution programme?*

KOI: This was introduced in order to induce land owners to offer excess farm land to government for resettlement purposes. However, my personal observation is that, the major good that the land tax has brought, is increased revenue to the LADF account. So far still, no land offers are forthcoming according to expectations. Once again, the absence of proper review of some of these mechanisms makes it difficult to evaluate the role thereof. Further, from a general perspective land tax can be a useful tool in forcing land owners to come forth with land offers. A regular review of such a tool is imperative in order to enable amend of its shortcomings.

*Question 6: In March 2004 the Ministry of Lands and Resettlement announced that “expropriation” of commercial land was to start; is this process achieving any results?*

*If yes, what are the achievements so far?*

KOI: No achievements so far.

*If no, what are the obstacles or constraints?*

KOI: Legal obstacles are in the way of expropriation. There is a saying in the Ministry that “expropriation” is in the “ICU” (intensive Care Unit) since the Ministry lost its legal battle in the “KESSL” case. Despite a few farms (Ongombo west, Marburg & Okorusu etc.) that were acquired through this means, no major results have so far been attained in this regard. The MLR needs to review its shortcomings that were

highlighted in the said case before it can proceed with further implementation of this approach of land acquisition.

*Question 7: How would you compare expropriation to willing seller willing buyer in terms of speed and efficiency in acquiring agric land for re-distribution?*

KOI: In terms of speed and not until the KESSL case, one would say expropriation is better, but after the experience of the KESSL case, one gets an impression that the legal challenges (which in some cases could be very lengthy) that it (expropriation) is likely to endure, is a huge deficiency in terms of speed. Efficiency wise, expropriation is better in the sense that it enables government to plan as to where and when to acquire land for resettlement purposes. This is thus a more systematic way of buying land as opposed to the ad hoc approach of the W-B W-S.

*Question 8: In your opinion, does the MLR have the capacity and resources to speed up the land acquisition and re-distribution processes? Motivate your answer.*

KOI: NO. There is a lack of skilled human resources. The land reform programme (especially the implementation of expropriation) requires a Ministry with a fair amount of legal knowledge (capacity) to implement. At the current moment such capacity does not exist. The MLR therefore requires to commit more resources (money) to train its staff in the legal requirements or obligations of their work [e.g. implementation of the ACLRA, 1995] and also to put in place strategies to retain them.

*Question 9: How many people are regarded as landless and need to be resettled in Namibia?*

KOI: The 2001 – 2005 MLR's resettlement programme plan cites 240'000 families needing resettlement.

*Question 10: In your opinion, who among the 240 000 should qualify for resettlement and why?*

KOI: The landless unemployed poor Namibians, most of whom reside in rural areas. These are the economically marginalized members of the society whom, 19 years after our independence are still living in absolute poverty. My other opinion is that resettlement should be distinguished in two namely; land for shelter (residential) and land for agricultural purposes. Shelter would be for every interested landless Namibians, where as agriculture would be for those really in need (the poor Namibians).

*Question 11: What kind of support is offered to the resettled beneficiaries of land reform?*

KOI: Resettlement is followed with support in the form of capital, farm infrastructure, production inputs, training of beneficiaries etc.

*Is this support adequate or not in terms of meeting beneficiaries' needs for commercial farming?*

KOI: Post settlement support in its current form is irregular and unsystematic and as such many resettled farmers are yet receive such support. For as long as the MLR remain the main role player in terms of offering such support, very little will be achieved. Line Ministries should come on board and play their relevant roles.

*Question 12: In your view, is willing seller willing buyer an effective policy option to achieve “re-distribution” of land in Namibia? Motivate your answer.*

KOI: No. Unless if it is aided by other policy provisions such as expropriation.

*Question 13: How would you describe the overall impact/effect of land reform, through willing seller willing buyer on:*

*(a) the change to the commercial agrarian structure in Namibia;*

KOI: So far no major changes have been observed; in my opinion the status quo is still maintained.

*(b) Poverty reduction among resettled beneficiaries (previously landless poor);*

KOI: This is very difficult to measure. As I said in your question 2, there is very little (if not any) information on record within the MLR about the beneficiaries of resettlement and their progress.

*(c) Access to productive agricultural land by landless black Namibians?*

KOI: Through the affirmative action (AALS) more land has been access by the already privileged Namibians. However, this access is conditional in my opinion because many of those who have acquired these farms still have not paid off their farms hence, they are still mortgaged to the bank and thus the possibilities to loose these farms through foreclosure is real.

*(d) Equity in land distribution between blacks and whites?*

KOI: The gap is still wide; whites still own the majority of commercial agricultural farm land.

*(e) Productivity of agricultural land under resettlement programme?*

KOI: Most resettlement farms are either under or over utilized and from an agricultural sustainability point of view, either way is no good. The MLR needs to up its efforts in ensuring that regular monitoring is undertaken in order to counter this situation.

*(f) Peace and stability in the country?*

KOI: Until now peace and stability in the country prevails.

APPENDIX C: Land Ownership Pattern in Commercial Districts of Namibia, 1991

District	Namibian Owners				Non-Namibian Owners (Foreigners)	
	White Owners		Black Owners		Number of Farms	Size (Ha)
	Number of Farms	Size (Ha)	Number of Farms	Size (Ha)		
Outjo	398	1,895,281	54	287,586	35	151,439
Otjiwarongo	406	1,640,960	16	61,815	41	192,003
Grootfontein	557	1,726,457	4	21,782	3	20,535
Tsumeb/Otavi	448	1,523,680	7	26,473	9	61,114
<b>NORTH</b>	<b>1809</b>	<b>6,786,378</b>	<b>81</b>	<b>397,656</b>	<b>88</b>	<b>425,091</b>
Windhoek	528	2,998,218	5	38,552	17	105,396
Gobabis	809	3,673,681	41	192,313	31	131,933
Okahandja	358	1,497,676	4	23,674	17	104,745
Omaruru/Karibib	236	1,397,407	7	42,836	71	506,289
<b>CENTRAL</b>	<b>1931</b>	<b>9,566,982</b>	<b>57</b>	<b>297,375</b>	<b>136</b>	<b>848,363</b>
Keetmanshoop	370	2,954,314	16	96,463	49	425,434
Mariental	759	4,314,168	14	97,629	18	197,834
Karasburg	263	2,485,458	4	27,374	56	562,826
Maltahohe	220	2,053,967	3	13,455	12	129,899
Bathanien & Luderitz	208	2,253,385	6	50,308	23	378,405
<b>SOUTH</b>	<b>1820</b>	<b>14,061,292</b>	<b>43</b>	<b>285,229</b>	<b>158</b>	<b>1,694,398</b>
<b>TOTAL</b>	<b>5560</b>	<b>30,414,652</b>	<b>181</b>	<b>980,260</b>	<b>382</b>	<b>2,967,852</b>
<b>Total of all farms owned by whites, blacks, &amp; non-Namibians</b>						<b>6123</b>

*Source: (Ministry of Agriculture Water and Rural Development 1991)*

APPENDIX D:

Average Sizes of Farming/ Businesses Units per District, 1988 - 1991

District	Number of Farming Units / Businesses	Average Size (Ha)
Outjo	324	7,484
Otjiwarongo	299	6,916
Grootfontein	301	6,069
Tsumeb & Otavi	294	5,801
<b>NORTH</b>	<b>1218</b>	<b>6,568</b>
Windhoek	402	8,081
Gobabis	599	6,994
Okahandja	269	6,162
Omaruru & Karibib	254	8,266
<b>CENTRAL</b>	<b>1524</b>	<b>7,376</b>
Keetmanshoop	334	11,095
Mariental	530	8,835
Karasburg	242	13,907
Maltahohe	165	14,042
Bethanien/Luderitz	192	14,883
<b>SOUTH</b>	<b>1463</b>	<b>12,552</b>
<b>TOTAL</b>	<b>4205</b>	<b>8,832</b>

*Source: (Ministry of Agriculture Water and Rural Development 1991)*



APPENDIX E:  
Colonial and Post-Colonial Land Distribution Schemes in Namibia

Model	Beneficiaries	Comments
German Settlement Scheme 1890 – 1917	German Settlers	Concession Companies held 29 million ha. German forces killed +60% of Namibians 1904-1911. By 1913, 1331 settler farms totalling 13, 4 million ha.
Afrikaner Settlement Scheme 1919 – 1989	South African Poor Whites/Poor Afrikaners	1106 families with 880 holdings = 7.5 million ha. Increased to 1261 holdings by 1932. No tax until 1940.
Angola Boers/Dorsland Trekker Settlement Project – 1940	War Displaced South African Farmers from Angola	150 farm holdings, Grants and infrastructure support. No tax.
Odendaal Relocation/Expropriation Scheme 1968	Afrikaner farmers/African Communal Farmers	Expansion of Communal Areas under the Bantustan Framework Involuntary Expropriation
Bantustan Administration Settlement Scheme 1978 – 1989	African Communal Farmers with ties to the Second-Tier Authorities.	Research under progress
Post-Independence Resettlement Scheme 1992 - 2004 [MBLR/WSWB & fair compensation]	Formerly Disadvantaged Namibians	874,155 ha. Freehold acquisition/N\$123,976,612. Slower delivery than first two models. Less than 1 million ha in 12 years.

*Source: (Permanent Technical Team on Land Reform 2005b)*

APPENDIX F (a):  
Farms Offered, Waived, Exempted and Bought, 1999/00 –  
2003/03 Financial Year

Financial Year (FY)	1999/00	2000/01	2001/02	2002/03	2003/04
<b>Total farms offered</b>	<b>222</b>	<b>223</b>	<b>179</b>	<b>202</b>	<b>273</b>
Farms waived (not suitable)	144	130	76	83	150
Farms exempted	72	77	79	106	123
Farms bought	6	16	24	13	10
<b>Farms bought as % of total farms offered</b>	<b>3%</b>	<b>7%</b>	<b>13%</b>	<b>6%</b>	<b>4%</b>

*Source: (Permanent Technical Team on Land Reform 2005b)*

APPENDIX F (b):  
Farms Offered, Waived, Exempted and Bought, 2004/05 –  
2008/09 Financial Years

Financial Year (FY)	2004/05	2005/06	2006/07	2007/08	2008/09
<b>Total farms offered</b>	<b>240</b>	<b>209</b>	<b>158</b>	<b>185</b>	<b>190</b>
Farms waived (not suitable)	135	119	57	81	85
Farms exempted	89	51	51	64	83
Farms bought	11	21	47	18	3
Farms withdrawn	5	18	3	22	19
<b>Farms bought as % of total farms offered</b>	<b>5%</b>	<b>10%</b>	<b>30%</b>	<b>10%</b>	<b>2%</b>

*Source: Statistics from MLR, 2009*

APPENDIX G:  
LADF Allocations and Expenditure Pattern

Financial Years	Allocation (N\$ Millions)	Expenditure (N\$ Million)	Expenditure as % of Annual Allocation	Expenditure as % of sub-total
2003/04	50,000,000	6,096,559	12%	2%
2004/05	50,000,000	7,594,474	15%	3%
2005/06	50,000,000	29,182,612	58%	10%
2006/07	50,000,000	72,722,875	145%	24%
2007/08	50,000,000	81,671,791	163%	27%
2008/09	50,000,000	1,924,927	4%	1%
<b>Sub-Total</b>	<b>300,000,000</b>	<b>199,193,238</b>	<b>66%</b>	<b>66%</b>
1991/92 - 2002/03	240,000,000			
<b>Grand Total</b>	<b>540,000,000</b>			

*Source: Statistics from MLR Finance Sub-Division, 2009*