Abstract
Agricultural parastatals were a common feature during apartheid and were intended, according to the government, to address poverty in the Bantustans. However, the failure of these projects to achieve the publicised goals, mainly due to their heavy dependence on government funding, led to a belief that their establishment was motivated more by politics than the stated reasons. Following a review of these parastatals, the post-apartheid government is struggling to come up with new ideas on how to restructure or replace them. In Magwa Tea, a former parastatal in the Eastern Cape, economic, political and social issues are intertwined to the extent that neither the problem of poverty is resolved, nor the other goals relating to economics, politics or social issues are achieved.

Introduction
A decade after the fall of apartheid, widespread poverty in South Africa remains one of the key concerns of the government and other development agencies. It is now common knowledge that the poverty is deepest in rural areas. Government concerns about rural poverty are, however, not new. For several decades, the apartheid government attempted to address rural poverty concerns through the establishment of parastatals, which were mainly located in Bantustans. These, which were mainly focused on agriculture, included irrigation schemes, agricultural co-operatives, breeding schemes etc. Several studies have pointed to numerous problems associated with the agricultural parastatal approach to dealing with rural poverty. These include limited land given to farmers in these projects, thus rendering commercial production unviable, poor education and training of farmers targeted, poor biophysical conditions in project land, debt cycle experience by farmers and high
dependency of these projects on state funding (Kepe and Filson, 1993; Porter and Phillips-Howard, 1996; Kepe, 2001; Parker, 2004). What these studies have concluded is that the conceptualisation and eventual implementation of these projects were often less motivated by real concerns to reduce poverty, or clear possibilities of economic success, but by complex political motives of the apartheid government. Hence many of these projects became early targets of change for post-apartheid provincial governments in that they were either restructured or liquidated.

However, interesting twists are beginning to emerge with regard to the fate of these former Bantustan parastatals during the post-apartheid dispensation. There is a widely held perception that many post-apartheid poverty reduction policies and projects suspiciously resemble those of the apartheid regime, in that they are primarily politically motivated. However, even at a global level, analysts argue that strategies to reduce rural poverty by government cannot really be divorced from the political dynamics at different levels in the country (Gow and Morss, 1988; Lodge, 2002). In fact criticism of current failures by government to implement successfully poverty reduction policies are interestingly blamed on sometimes too much and other times too little political influence by government and other stakeholders (Parker, 2004). Thus, in the end, successful implementation of poverty reduction policies is neither about the technical inputs, nor about outputs (poverty alleviation), but it is about the costs and benefits from political points of view of different segments of society.

The aim of this paper is to present a case study that reflects some of these complexities and the intertwining economic, political and social issues. More specifically, it presents the case of project implementation in Magwa area, Eastern Cape, where land reform, job creation and politics are intertwined in determining the success or failure of a development intervention. The paper is based on research carried out between January 2000 and December 2003 in the Wild Coast area of the Eastern Cape Province. A range of methods including participant observation, semi-structured interviews, archival research, and secondary data analysis was used. The paper first presents a fairly detailed case study of the history of development in Magwa, with a focus on the history of the land question and the difficulties facing local development projects, including the tea venture. The last section of the paper presents a conclusion.
Magwa Case Study

The case study presents challenges facing the transformation of a former parastatal, Magwa Tea, within the context of several government-initiated development initiatives, including land reform and the Wild Coast Spatial Development Initiative (SDI). This is done in three ways. Firstly, a somewhat detailed history of the establishment of the tea enterprise in the area is presented, which highlights the unrelenting manner in which the land for growing tea was acquired by the government, and how those residing on the land were forcefully removed. The history also shows how the political changes of the late 1980s and early 1990s resulted in the improvement of working conditions, but at the same time brought doubts about the sustainability of this government-funded enterprise. Secondly, the provincial government’s plans to transform Magwa Tea into a co-operative within the framework of the Wild Coast SDI are discussed briefly. Finally, the challenges facing the transformation process of the tea enterprise are discussed with a particular focus on the land question, definition of project beneficiaries and the contested issue of representation of local interests.

Background and Context

Magwa area is situated in north-eastern Pondoland in the magisterial district of Lusikisiki, along the Wild Coast of the Eastern Cape. For the purposes of this study, as well as numerous government-initiated economic development projects, this area comprises seven administrative areas, which include Lambasi, Hombe, Nkunzimbini, Malangeni, Matheko, Mbotyi and Goso Forest (See Figure 1). With the exception of Mbotyi Administrative Area, which is under Lower Ntafufu Tribal Authority, all these areas fall under Qaukeni Tribal Authority. The Paramount Chief of Eastern Pondoland is the highest-ranking traditional authority for all these administrative areas. Each administrative area is under the administrative control of a government-paid headman who in turn reports to the chief of the tribal authority. Since 2000, and as a result of post-apartheid local government reforms, the area became part of O.R. Tambo District Municipality. Additionally, elected councillors have been engaged in a bitter struggle with traditional authorities, mostly at village level, over administrative roles since late 1995.

During the 1990s, the area became one of the targets for government-driven development projects. Firstly, as part of the Wild Coast SDI, the area was identified as suitable for ecotourism, afforestation and commercial
agriculture. It was envisaged that Magwa Tea, a tea-growing project in Lambasi Administrative Area, would serve as a nucleus for other forms of development. Until 1997 Magwa Tea had been heavily subsidised by the state, first by the Transkei Bantustan government and then the new Eastern Cape Provincial Administration. Running at a loss, the plantation was liquidated along with other parastatals towards the end of 1997.

Secondly, Lambasi Farms, which were jointly owned and managed by Tracor and Magwa, were targeted for development under the auspices of the Wild Coast SDI. Plans for this land included forestry and planting of new crops. Thirdly, the Ntsubane Forest was put up for privatisation by the Department of Water Affairs and Forestry, in the hope that this would open opportunities for local development. In addition, there are other smaller projects in the vicinity that are not directly linked to the Wild Coast SDI (for example, mining).
However, all the current economic development plans should be seen in the context of wider socio-economic and political issues, both past and present. These include the history of land dispossession by successive governments and reactions to it; the apartheid government’s attempts at developing the area; and the post-apartheid government’s national plans to improve the welfare of formerly marginalised rural people. The next section provides a historical background of the area, particularly on government interventions and conflicts that arose over the last forty years or so. This case study focuses specifically on the plans of the Wild Coast SDI, Department of Water Affairs and Forestry and the Department of Land Affairs and Agriculture for developing the area.

**Historical background**

The case study area has a long history as a cattle-raising area. By the Nineteenth Century, the area was being used extensively for transhumant cattle grazing (Beinart, 1982). Large herds of cattle, many associated with the Paramount Chief (then resident some 30km inland at Qawukeni) were herded to the coastal grasslands in the winter months when the upland grazing was limited. There is evidence suggesting that the Lambasi plain was one of the most important grazing areas in Eastern Pondoland (Harrison, 1988). Herding outposts (*amathanga*) were established, but most settlement at this time was temporary. It was only later, following annexation of Pondoland in 1894 and the subsequent large-scale immigration into the area, that settlements became more permanent with people beginning to keep their livestock in the area year-round and farming activity becoming more common. The reputation of the area as grazing land is remembered by many elderly people and some still refer to it as ‘the paramount chief’s land’ or *umhlaba wakomkhulu* (Manona & Manona, 1997).

**Land Dispossession and Resistance**

The Magwa area has a rich history of conflict between rural people, traditional authorities and the state over the last 50 years or so. A sketchy but useful history of development-related land conflict in the Magwa area is found in an unpublished manuscript by Harrison (1988), tracing the history of tea growing in the former Transkei, with a special focus on the early years of Magwa Tea. Although not the main focus of the manuscript, the history of land dispossession and resistance during the early 1960s emerges in the text,
which identifies conflict over land in Magwa as having been encouraged by
two interventions by the state. The first of these was betterment planning for
Lambasi Administrative Area. According to Harrison, a senior agricultural
officer and avid nature lover, Miles Roberts, was impressed by the traditional
use of Lambasi as grazing land. Fearing that the influx of people to the
Lusikisiki area from other parts of the Transkei would result in increased
settlement in Lambasi, Roberts convinced Paramount Chief Botha Sigcawu
that a survey of the area was necessary for conservation reasons and a study
was conducted from 1960–63 (Cape Town Archives 1/LSK, Vol 142). But
rumours soon circulated about the motives for the study and suspicions grew.
There had been fierce opposition to betterment in this area. One man says:

We still don’t understand why we were forced away from our fertile fields to
these barren lands. That is why we were prepared to fight. We are also still
crying for the graves of obawomkhulu (our forefathers) which were destroyed
by whites and no compensation was given (An elderly man during a community
workshop in Ntlavukazi, Lambasi Administrative Area, 17 July 2000).

When local people saw researchers in the villages conducting the study, talk
was rife that the Paramount Chief was in the process of selling land to the
whites and this suspicion fuelled further mistrust between the villagers and
those in places of authority (including the Paramount Chief).

The second state intervention that resulted in conflict over land in
Magwa was that of tea growing. Negotiation and planning for this venture
took place at about the same time as the introduction of betterment planning.
According to Harrison (1988), Johan Mills, who was the then secretary to the
Chief Minister of Transkei, made the initial suggestion that Pondoland needed
a commercial venture to provide a local alternative to migrant labour in the
sugar cane fields of Natal. Mills discussed this idea with the Paramount Chief
and his councillors in Qawukeni and it is said that it was well received.3 What
remained was to convince the local villagers to move off the land Botha
Sigcawu had set aside for the venture.

The task of convincing residents of Lambasi that they should move
was left to the Paramount Chief himself, with assistance from a Transkei
Member of Parliament, Columbus Madikizela from Bizana. When people
rejected the notion that tea was good for the Mpondos, Sigcawu is said to
have intimidated the residents, claiming that the land belonged to his father
anyway implying that he could force them to move. When the Paramount
Chief failed to convince the villagers, the District Magistrate in Lusikisiki, a
Mr Fanwick, intervened by persuading people to accept cash compensation in
liefu of land rights and promising them jobs on the tea estate. Residents continued to resist the idea and rallied the support of outsiders. The resistance to betterment and relocation was in effect the Magwa/Lambasi ‘contribution’ to the famous ‘Mpondo revolts’ which are described in great detail in Copelyn (1974), Beinart (1982) and Mbeki (1984). It is said that by the middle of 1960 the Pondoland resistance became violent and an unsuccessful attempt was made to topple Sigcawu (Mbeki, 1984; Harrison, 1988). In the process, however, attacks on Sigcawu’s supporters led to the burning of houses and deaths which included the Paramount Chief’s brother, Chief Vukuyibambe Sigcawu. Following the Ngquza Hill massacre on 6 June 1960, where Mpondo rebels were killed or arrested, resistance in Magwa area subsided and residents finally gave way to the tea plantation. According to Harrison, cash amounting to about R20 was paid per hut, as compensation for relocation.

Problems with the Tea Venture (1963 to 1997)
Since its contentious establishment, Magwa Tea experienced numerous problems and failed to live up to expectations. The project, intended to uplift the economy and create employment opportunities for the Mpondo, was hampered by a series of planning, managerial and political problems that lasted for over forty years.

In relation to planning, the area given over to tea was never large enough to absorb a sizeable labour force or become profitable. Five hundred hectares of tea were planted in 1963, increasing by a mere 200 hectares over the next ten years (Harrison, 1988). Today the extent of the plantation at Magwa is 1750 hectares and is, according to Porter and Phillips-Howard (1996), not in the best area for successful cultivation because of low winter temperatures, which prevent continuous harvesting. Profit has, therefore, always been limited by environmental conditions.

Other complications resulted from poor planning, included a ten-year delay in the construction of worker’s accommodation. Unhygienic temporary structures were therefore put up by workers from distant eastern Pondoland. The housing issue also resulted in harvesting delays, and loss of potential produce, as workers had to be transported from many kilometres away. But perhaps the most ironic decision, given the government’s stated goal of job creation in the area, was the design of labour-saving machinery in the factory, effectively reducing the number of people who could be employed for processing the tea (Harrison, 1988).
The establishment of the tea smallholder section within Magwa was perhaps another planning error which failed to meet its goals. In 1983 a hundred village families from Lambasi were each given one hectare of land in Mazizi Estate to plant tea. The project drew on a Kenyan model and was aimed at expanding tea production to partially compensate families of villagers who were removed from the land during the early 1960s and to contribute to local development (Harrison, 1988; Porter & Phillips-Howard, 1996). Magwa Tea committed itself to providing technical expertise, as well as subsidising some of the inputs. The smallholders were responsible for providing their own labour. The tea was sold to Magwa. However, land tenure issues were left vague. What was made clear was that the smallholders had usufruct rights to the land, but it appears that nobody knew where land ownership vested (Department of Land Affairs, 1998). According to Magwa Tea Corporation (1999), the smallholder scheme was unsuccessful because the tea was of very low quality. From this assessment it is clear that the goal of contributing to local economic development through smallholder tea production was not achieved. Lack of commitment from Magwa management and uncertainty about land ownership continue to remain stumbling blocks to smallholder tea production in the area.

Poor management practices were also a factor in the failure of Magwa Tea. Early managers at Magwa were often outsiders or foreigners with little understanding of local dynamics (Harrison, 1988; Transkei Chamber of Commerce, 1996). In the 1960s and 1970s, management and labour relations were at times so poor that they jeopardised the future of the tea enterprise. Harrison (1988) argues that in 1972 it appeared the Transkei budget was being severely drained by the unprofitable tea enterprise and workers were stealing so much tea (sold to dealers in the nearby towns) that the officially appointed marketers threatened to withdraw. Mismanagement continued into the 1990s and millions were lost to corruption (Department of Land Affairs, 1998) and loss of productivity, partly caused by labour disputes (Magwa Tea Cooperative, 1999).

From the late 1980s to the late 1990s, political changes in South Africa manifested themselves in a radical form in Magwa. In the Transkei, where political repression was intense and labour unions were not allowed to legally organise workers until 1989, Magwa soon found itself regularly plagued by workers’ strikes (Porter & Phillip-Howard, 1996). Through the Food and Allied Workers’ Union (Fawu), the workers at Magwa demanded higher wages. According to Porter and Phillip-Howard, during the 1990s the
Fawu office in Umtata had particularly targeted agricultural schemes, as it was thought the state-run enterprises should be setting a good example in their labour practices. Initially Magwa management was resistant but the pressure of strikes resulting in the loss of millions of Rands soon saw Magwa workers becoming some of the highest paid tea estate workers in Southern Africa (Magwa Tea Co-operative, 1999).

However, the combination of high pay and unprofitability plunged Magwa into deeper financial troubles. It was no surprise that the new Eastern Cape government concluded that Magwa (along with other agricultural government-funded schemes) was a financial drain on the province. Following an extensive review by consultants hired by the province, the closure of the scheme was proposed in February 1997. Although there was talk of privatising the tea enterprise in an effort to make it profitable and save jobs, the Magwa Tea Co-operative was liquidated in July 1997. The estate did, however, continue to trade under the supervision of the Transformation Authority, and it was widely thought by government officials that Magwa might eventually become profitable and complement provincial and national plans to develop the previously disadvantaged areas such as the Wild Coast. By 1996, it was decided that Magwa would become an anchor project of the Wild Coast SDI. The next section explores social dynamics of the Wild Coast SDI in the Magwa area.

**Magwa Tea Co-operative and the Wild Coast SDI**

It is not clear from SDI documents why Magwa was chosen as a development node. The only clue is found in a strategic document produced by the Eastern Cape Provincial Government in 1995, which outlines development plans for the Transkei Coast, including Magwa and other agricultural enterprises in existence at the time (Government of the Eastern Cape, 1995). Although the status of Magwa as an SDI anchor project had been in doubt in 1997, perhaps because of the pending provincial government review of agricultural parastatals, once it became clear that private investors could be sought for Magwa, SDI interest was renewed.

Following Magwa’s liquidation at the end of 1997, the drive by the Department of Land Affairs (DLA) to transform Magwa Tea into a co-operative with workers and managers as co-owners was taking place within the Wild Coast SDI framework. A situational analysis on Magwa was commissioned by the DLA to provide both DLA and the SDI team with
background information, particularly on the land issue (see Manona and Manona, 1997).

A Transformation Authority to oversee the transition of Magwa and other parastatals into co-operatives was established by the Eastern Cape Premier. About 1700 full-time workers and managers became co-owners of Magwa Tea Co-operative and a land company was formed to benefit the communities around Magwa. It was agreed that Magwa Tea Co-operative would pay R120 000 and 30 per cent of profits each year to the land company. The hopes of co-operative members and villagers were further raised by the publication of details of numerous SDI investment opportunities which would bring employment and share opportunities.

The tea estate was advertised together with the Lambasi Farms – in which Magwa and Tracor had a 50:50 share – as the ‘Magwa Package’, an invitation to invest in the existing tea business ‘plus other agricultural and related opportunities’ (Wild Coast SDI, 1998). In addition to these agricultural investment opportunities, the Wild Coast SDI and the management of Magwa Tea Co-operative also hoped to attract ecotourism investors into the nearby Mbotyi area. A golf course was envisaged as a possible major attraction for the area. Using its own funds, and claiming to be contributing to local development, Magwa started a pottery project where young people from the neighbouring villages were receiving training. According to the then managing director, Mr Greathead, the provincial government and European Union had promised funding for the project.

Management reports of Magwa Tea Co-operative and the enthusiasm of the SDI combined to create a convincing impression to local people that Magwa was destined for greater things. The workers and managers willingly took a pay cut (Magwa Tea Co-operative, 1999). The villagers of Lambasi Administrative area formed the Lambasi Development Forum to represent the land owners and to co-ordinate development and benefit issues in the villages in co-operation with the traditional authorities and the Magwa Tea Co-operative (Personal communication, J. Greathead, Magwa Tea Estate, 9 August 1999). Notwithstanding this brighter outlook, social dynamics in the area still presented numerous challenges for the Wild Coast SDI and other development projects in the Magwa area. The Magwa Tea Co-operative did not start well, mainly due to poor management and financial problems. Magwa’s 3600 workers were not paid for almost two years and the estate was producing only 955 000 kilograms instead of the potential 3.5 million per year (Gerardy, 2003). The problems at the estate came to a climax when fifteen
offices and the boardroom were gutted in the middle of 2003. It has been argued that the fire was related to the worker unhappiness at the estate (Wray, 2003). Despite government’s attempts to revive Magwa, including a financial bail-out by the Eastern Cape Development Corporation and collaboration with an Indian tea company (Lourens, 2005), numerous challenges are likely to continue to bedevil the project. The next section provides an analysis of these challenges and puts them into the context of past, present and future development in the area.

Challenges Facing Development Initiatives in the Magwa Area

Almost nine years after the Wild Coast SDI identified the Magwa area as a key investment node and six years after Magwa Tea became a co-operative, uncertainty and confusion appear to prevail in the area. Conflict is common amongst villagers, as well as between villagers and state agencies working in the area. Several factors contribute to this. Firstly, when people first heard of the potential benefits that were to come with the introduction of the Wild Coast SDI and the transformation of Magwa Tea into a co-operative, they began to strategically position themselves for maximum benefits. This meant that powerful individuals sought positions in relevant committees; while the less powerful tried to form alliances with different individuals or groups they perceived to be the most powerful or the most strategically positioned in terms of benefiting from the projects. Secondly, local individuals and groups blamed each other for delays in some projects and non-delivery of other promised developments. Ironically, some government and SDI personnel suggested the resulting conflict as the reason for the delays (Kepe, 2000). Clearly, however, a host of underlying reasons for the conflict point to broader social and political issues, including how successive governments have dealt with poverty and human rights issues. These are discussed below.

The Land Question

The history of betterment in the area and the establishment of Magwa Tea and Lambasi Farms several decades ago are relevant for understanding land issues. These events took place against the will of residents, but with the blessing of traditional authorities. To make things worse, people who lost their land through these two processes were not given an opportunity to seek
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redress through the provisions made in post apartheid land reform legislation. Claims relating to betterment planning were deemed invalid for restitution claims (Department of Land Affairs, 1997); the proposal was that these cases be dealt with as part of the tenure reform process (Westaway, 2000). This is despite others arguing that betterment was a violation of land rights, equivalent to the Group Areas Act in urban areas, and was therefore racially motivated (Gwanya, 2000). Some claims of this type were in fact lodged, and later interpretations of the Restitution Act led to the success of some of these, for example the Cata restitution claims in the Eastern Cape (see Gwanya, 2000; Westaway, 2000). Nevertheless, the cut-off date to lodge claims was 31 December 1998, before precedence was set by claims such as Cata. While land reform policy may have been unclear, victims of forced removals in Magwa area appear never to have doubted their rights to the land. Additionally, while the question of ownership of the Magwa land remains unclear, few outsiders dispute local people’s rights in respect of that land.

Despite people in Magwa area still having no formal land tenure rights, the last forty years have seen various efforts by the state to offer redress, arguably, as recognition of the people’s right to the land. This has had its own problems. For example, some of the people who lost their land were given jobs at Magwa and were ‘to an extent now mollified’ (Porter & Phillip-Howard, 1996:293), as employment met their immediate livelihood needs. Secondly, one hundred families were awarded one hectare each to grow tea, a strategy that failed in its goal of making the families financially independent. Furthermore, ownership of these plots remains unclear. Thirdly, the DLA formed a land-owning company on behalf of local villagers, which would receive shares from the tea enterprise, as well as annual rent. Despite these efforts, there is still no clear right to the land.

Another confusing aspect of the land question in Magwa area is the role of the Mpondo king. As Manona and Manona (1997) reported, many continue to refer to the land in question as the ‘king’s land’. Government further endorsed this notion when it included the Mpondo king as a shareholding ‘stakeholder’ in the transformed Magwa Tea venture during the late 1990s.

The Beneficiaries in the Magwa Area

As is the case in many other coastal areas where SDI and land reform programmes are being implemented, outsiders have played a major role in
defining the boundaries of the beneficiary ‘community’ in Magwa. The resulting definition of project beneficiaries has caused numerous conflicts. Some people would prefer the ‘community’ of beneficiaries to be larger so that they can be included, while others prefer a smaller ‘community’ in order to maximise their own benefits. Thus the ‘community’ of beneficiaries for the Magwa area SDI and membership in the land owning company include Goso Forest, Hombe, Lambasi, Mbotyi, Malangeni, Matheko and Nkunzimbini administrative areas. While these areas all border Magwa Tea, they do not share a common history. The land on which Magwa was established is part of Lambasi Administrative Area and the majority of those who were dispossessed of their land still live there. Only a few moved to one of the other six administrative areas.

It is possible only to speculate on how the DLA and the Wild Coast SDI decided on its ‘community of beneficiaries,’ as this is not clarified in documents accessed during the research. The areas are all close to Magwa Tea and the SDI team tends to see inclusivity as a means of avoiding or reducing potential conflict (see Kepe, 1999). Yet the inclusion of all Magwa neighbours in the land owning company by DLA is inconsistent, given that rent to be paid by Magwa Tea was intended for ‘land owners’. The only explanation for this appears to be that some of those dispossessed of their land now live in those other areas.

The people of Lambasi were clearly against an all-inclusive definition of beneficiaries, as illustrated by the following comment:

Land belongs to Lambasi, but they say we must share the money. This is not right. When other villages have a project nobody tells us to join them. At present, Nkunzimbini Administrative Area has a mining project and people are employed, but people from Lambasi don’t get anything (Interview with a local leader, Ntlavukazi, 10 July 2000).

Some man commented: ‘The king gave our forefathers’ land away, but now his son has shares from our land’ (Group discussion at headman’s place, Lambasi, 17 July 2000). Local hostility to traditional authority is reflected even more strongly in statements such as:

What king? Don’t tell me about a king here. We don’t have a king, we are on our own. As far as I am concerned Qawukeni (the Great Place) does not exist. It stopped existing when our land was taken away through ucando (betterment) and by this tea (Group discussion at headman’s place, Lambasi, 17 July 2000).
These sentiments raise important questions about ‘representation’ of interests in development projects in this area. The next section attempts to shed light on this.

**Who Represents Whose Interests in Magwa?**

While the DLA’s suggested ‘community’ of beneficiaries included several administrative areas, it appears that Lambasi Administrative Area was from the outset afforded a superior status and, in relation to Magwa Tea, it appears that people from other areas also recognised Lambasi as having a greater stake. In 1997 the people of Lambasi formed the Lambasi Development Forum (LDF) to represent the interests of potential beneficiaries, primarily relating to the transformation of Magwa Tea. The Forum soon became the only ‘community’ voice in negotiations. For example, at numerous meetings attended by the DLA and SDI consultants at Magwa Tea estate, LDF members were the only community representatives present. The LDF continued to function as the main community negotiating body, after SDI projects were mooted beyond the boundaries of Lambasi.

At the time of the research, the LDF was headed by a local businessman and had two representatives on the Magwa Tea management committee. According to Greathead, the former Managing Director at Magwa (Personal communication, Magwa Tea Estate, 9 August 1999), the organisation received intellectual and political support from local government politicians in Lusikisiki and was considered a powerful force. It was further argued by some that LDF was run by greedy individuals who were in fact responsible for the non-implementation of most of the planned projects in the area, as they wanted greater shares of the profits from these ventures. Eventually, due to the need for broader representation on the ‘community’ negotiating forum brought about by the introduction of projects outside Lambasi, a new structure, including members nominated by several administrative areas, was formed towards the end of 2000. Members of the powerful LDF, however, still occupy key positions on the new body.

The king’s role as a representative of the people in the area is also not without controversy. Some in Lambasi are critical of the king’s involvement in discussions about development in the area and of government agencies for giving more ‘respect’ to the king than they give to his ‘subjects’. As one local leader said:
We hear that the king has been sitting in meetings about Magwa. What makes us angry is that he is suddenly the hero and government would rather please him than us. We are the ones who lost land, not him. Government does not come here, but they go to Qawukeni all the time. If the king says yes to something, we hear from around that all the people of this area also agree. This is not right. We are the ones who suffered, not the king (Group discussion at headman’s place, Lambasi, 17 July 2000).

Unfortunately, this research was unable to gauge the level of acceptance of the king as a ‘representative’ in areas beyond Lambasi. The strong feelings in Lambasi should, however, be given serious consideration.

Conclusion
Several issues emerge from the case study of Magwa area which could provide useful lessons. The first has to do with the political origins of the current conflicts and economic development initiatives. The establishment of Magwa Tea was associated with the political power of the king and his apartheid allies. Magwa and Lambasi Farms, therefore, have long been associated with violent politics, which the promise of jobs and business partnerships was not about to make people forget. But outsiders are still generally blind to this history and approach the development initiatives as if they are conducting the first government interventions in the area.

Secondly, it appears that Magwa Tea – unsuccessful from the outset – survived for political reasons. In earlier years the Transkei government promoted Magwa, pouring millions of rands into the project (Harrison, 1988). The support continued after 1994 when the Eastern Cape government took over. Those who argued that Magwa could become a profitable private venture did so, it appears, in ignorance of the understanding that the project had been established as a job creation venture for the Mpondos. To be profitable and to provide good salaries, Magwa would have to lay off workers (Magwa Tea Co-operative, 1999). DLA’s motivation for a co-operative to be formed is therefore puzzling (see Department of Land Affairs, 1998). Even more puzzling is that during 1999 the management of Magwa reported that the tea enterprise was starting to make profit for the first time in many years (Magwa Tea Co-operative, 1999). Yet by the middle of 2000 many workers at Magwa had not been paid for months. The acting managing director had left Magwa, and a respondent who worked there claimed that the co-operative members had chased him out (Interview with a Magwa worker, 10 July 2000). Once again the future of Magwa Tea was uncertain.
Thirdly, in spite of the unhappiness about what happened in the past and about how government is handling the land issue, people in the area are clear that if economic opportunities emerge, they will be met with enthusiasm. The following comments reflect the urgent need for development in the area (Group discussion at headman’s place, Lambasi, 17 July 2000):

We are still crying for our forefathers’ graves, which are now on the other side of the fence. But we would go and work there if jobs can open up. While graves mean a lot to us, they are not food. Our children need jobs now. We don’t necessarily want to move back to where our forefathers’ graves are. What would we do with the graves we have now? If they can bring this development that they have been talking about for so long now, we are not likely to be as bitter as we are at present. Jobs and land rights do not clash. The two are both important. We can get our land rights back and let people with money develop the land. It is unfortunate that we don’t see this development and we still don’t have our land.

Fourthly, the uncertainty over the Magwa tea venture, as well as many other development proposals, represents an opportunity to make a fresh start for all the agencies that seek to work in this area. In addition to addressing the land rights issue in the area, an opportunity is presented to be more precise in identifying potential beneficiaries. It is not enough to simply say ‘people of the area’ or ‘the community’ will benefit in a project. Criteria for determining beneficiaries, worked out with relevant people in the affected areas, need to be established for every development project. Finally, local dynamics, including the role and influence of traditional authorities need to be reviewed in the context of economic development.

Lastly, as the Magwa case shows, political motivations and considerations partly gave birth to both forced removals and development projects in the area during the 1960s. In between the 1960s and 2005, including the time when the Transkei Bantustan administration and later the Eastern Cape provincial government invested millions of rands into an unprofitable Magwa, political success rather than economic success appear to have been the motive. The irony is that even the post-apartheid policies on land, poverty and local governance appear to consider wider political dynamics rather than local needs in the way they are implemented in the area. Had this not been the case, government would have ensured that land reform in the area was not restricted by the illusion of the success of Magwa Tea; and that poverty reduction projects were solely intended to meet local needs rather than to be seen as politically relevant and pleasing to the so-called representatives of the local people, as it is widely believed. Interventions in
many rural areas of South Africa require a reasonable balance between politics, economic and human rights motivation.

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Notes

1. Tracor (Transkei Agricultural Co-operation) is another former parastatal that focused on agricultural development, but was also liquidated in 1997.

2. According to Mbeki (1984), Botha Sigcawu had already long been a supporter of betterment planning and was for that reason unpopular among Mpondos in Eastern Pondoland. The first attempt at introducing betterment in areas around Lusikisiki during the mid 1950s had failed following resistance by local people.

3. Prime Minister K.D. Matanzima visited the area but remained in favour of cattle farming rather than tea production (Harrison, 1988).

4. The three men who were charged for the murder of Vukuyibambe Sigcawu were executed in March 1962 (Mbeki, 1984).

5. The delay in providing accommodation was also a violation of the earlier promise that people who were originally removed from the land and worked on the estate would also be provided with housing there (Harrison, 1988).