Introduction
Public Private Partnerships, or PPPs, are increasingly popular in the field of international development cooperation and sustainable development. Though PPPs are not a new phenomenon (see Linder 1999), their popularity in policy circles has steadily augmented since the late 1980s (Entwistle and Martin 2005) to a point where their promotion seems to have become a dominant ‘development narrative’ (cf. Roe 1991; 1995). PPPs are promoted as the most logical solution to a variety of service delivery and development problems, and are often presented as ‘technical’, politically neutral solutions (cf. Ferguson 1990). Nevertheless, the promotion and development of PPPs has a distinct ideological background and flavour (Linder 1999; Entwistle and Martin 2005). PPP’s present popularity followed after their (re-)introduction in the wake of the wave of privatisation of government institutions by conservative governments in Europe and the US – notably the Reagan administration and Thatcher’s government – in the 1980s. The idea of the need for the privatisation of government services was exported to developing countries through the many Structural Adjustment Programmes enforced by the IMF and supported by the World Bank. PPPs were considered ‘softer’ versions of the same process (Entwistle and Martin 2005) that would have
less dramatic social consequences and therefore would be more palatable to the
general public. Subsequently, New Labour stressed the partnership idea in PPPs,
and the influence it is supposed to accord not only to the corporate sector, but
also to civil society organisations (ibid.). However, there is an ongoing debate
about whether the growing influence of civil society organisations is a
counterpoint to the neo-liberal approach, as Escobar (1995) argues, or whether
this is part and parcel of a neo-liberal approach (see e.g. Levine 2002).

In the growing body of literature on PPPs, two main streams are notable
(Brinkerhoff 2002). The first stream concerns prescriptive literature, often written
from a public administration or management perspective, focusing on
characteristics of PPPs and providing recommendations concerning how to
establish PPPs. Rarely, however, does this kind of literature address the
ideological underpinnings of the promotion of PPPs, nor does it question the
concept of partnerships and the inherent power relations within PPPs.
Furthermore, in much of this type of literature it is suggested that the public
sector can learn more from the private sector in terms of efficiency, orientation
towards results, and flexibility than the other way around (see e.g. Brunsson and
Sahlin-Anderson 2000; Batley 2004). A second stream concerns more critical
studies of PPPs, often more empirically based, documenting the failure of many
PPPs (see e.g. Fowler 1998; Edwards and Hulme, Koppejan 2005; 1996). These
studies are more likely to address the ideological background of PPP-initiatives,
and to criticise the – often implicit – assumption that all partners within PPPs are
equal. Nevertheless, in-depth case studies of how power relations are shaped and
affect PPPs are still rare (see for exceptions Mosse 2004; Lauri 2005), and the
critical scholars often hesitate to reflect on ways of addressing power relations in
PPPs and provide recommendations to ensure PPPs have a positive impact on the
poor.

In this paper we will focus explicitly on power relations at play in PPPs and the
ways in which some development practitioners try to address these. In relation to
this, we will also address the direction of the flow of ideas about ‘appropriate’
organisation models from the private sector to the public sector, as well as from
the private for-profit sector to the private non-profit sector. We will focus mainly
on PPPs in southern Africa, notably in the field of agriculture, drawing on cases
related to the development and support of production and marketing chains, and
the role of PPPs in land reforms.
We will start our paper with an analysis of the history and ideological background of the ‘hype’ in PPPs, addressing the economic models underlying the promotion of PPPs, and the ideal types of organisational models implicit in many of the policy recommendations concerning PPPs.

**Background of ‘PPP fashion’ in rural development: The travelling of powerful ideas**

Proponents of PPPs present them as a new generation of management and governance reforms, developed in the late 1980s, which are ‘especially suited to the contemporary economic and political imperatives for efficiency and quality’ (Linder 1999: 35). Yet, PPPs are not all that new a phenomenon – think for instance of the role accorded by colonial governments to church organisations in educating the colonized (see e.g. Maxwell 1997). In the 1970s PPPs were popular in the United States to foster the development of inner cities (Linder 1999). The contributions of these partnerships to development were, however, mixed at best (Stephenson 1991; Linder 1999), so one can wonder why they resurged in the late 1980s.

In the 1980s, the United Kingdom and the United States saw the advent of conservative administrations, bent on reducing state expenditure and increasing the role of market forces. A wave of privatisations of public services and corporations followed (Starr 1988; Linder 1999; Entwistle and Martin 2006). The fall of the Berlin Wall at the end of the decade strengthened beliefs in the appropriateness of this approach. Through the international monetary institutions such as the IMF and the World Bank (the Washington Consensus), it was exported to the developing countries who could no longer approach the Eastern bloc - and
ultimately to the Eastern bloc too (Wedel 2003). Yet, the restructuring of the state, and the privatisations – in the developing countries introduced as Structural Adjustment Programmes – led to social unrest as jobs were lost and government subsidies cut – rendering education and health care less accessible to the poor. In the mid-1990s the conservative parties in the UK and US lost the elections, but the new governments did not abandon the market-driven approach, but rather opted for neo-liberal market-driven approach instead of a neo-conservative one. The focus, however, shifted from privatisations to the promotion of Public Private Partnerships – these were seen as ‘softer’ versions of privatisation, more palatable to the general public (Linder 1999). According to Entwistle and Martin (2006), the new Labour government in the UK in addition stressed that the promotion of PPPs also offered possibilities for NGOs, supposedly representing ‘the public’, to participate in service delivery and policy-making. Again, this approach was exported to developing countries in the form of the New Policy Agenda (Fowler 1998).

The basic premises of neo-liberalism are rarely questioned by policy-makers, despite the uneven distribution of economic growth and the worldwide growing gap between the rich and the poor. In South Africa, for example, the neo-liberal development programmes GEAR and ASGISA adopted by the post-Apartheid government have led to considerable economic growth, but at the same time the middle and upper income groups in 2007 had three times more spending capacity than in 1994, while the lower income groups and the poor had four times less spending capacity. Alternative views on economic development exist – see for example the New Economics Foundation which challenges the need for economic growth as a premise for development (Woodward and Simms, 2006) – but these appear not to be taken seriously by governments in the North and the Washington monetary institutions, though perhaps the current economic crisis may change this.

The neo-liberal approach not only travelled across the globe, but also across sectors. Many public sector reforms were based on the idea that the public sector should perform in a more business-like manner, become more efficient in service delivery, respond to the market. These reforms, often referred to as New Public Management, took an abstracted private for-profit organisation model as its point of reference, according to Brunsson and Sahlin-Andersson (2000). Proponents of NPM portray the public sector as slow in responding to changes in society and
inefficient. Hence, in many cases the focus is mainly on what the public sector can learn from the private for-profit sector, and little attention is paid to what the latter can learn from the public sector. Critics warn that as a result issues such as accountability and democratic control over the public sector are ignored (ibid.). They question the necessity of the directionality of the flow of ideas and principles and remark that the public’s perceptions of and demands from the private for-profit sector are also changing, and that when it comes to for instance Corporate Social Responsibility (CSR), the private for-profit sector might learn from the public and non-profit sector as well. According to Elbers (2004) some transfer from the public and private non-profit sector to the private for-profit sector is notable, but warns that in many cases CSR is used to boost the images of corporations and does not entail a veritable application of principles from the public and non-profit sector.

Yet, the idea of the need to learn from the private for-profit sector appears to be very powerful and is extended to the private non-profit sector, especially through the New Policy Agenda (NPA). The NPA stresses the need for more contract-like relationships between the private non-profit sector and donors. Donors of the private non-profit sector increasingly demand that the latter demonstrate their efficiency by measuring their performance and detailed accounting of their expenses. Edwards and Hulme (1996) warn that this could result in non-profit organisations becoming more accountable to the donors rather than to the people that are to benefit from their activities. As a result, non-profit organisations, which were supposed to be efficient because they allegedly were closer to those to whom they provide services, lose touch with their ‘target groups’. They also warn that many of the lessons that the non-profit sector learned ‘the hard way’ are being ignored now that the sector is becoming more businesslike. These lessons include, for instance that participation, empowerment, and local ownership of socio-economic development processes is crucial but that participation and development are long-term processes, notoriously difficult to measure, monitor and predict. The same applies to institutional development. Monaci and Caselli (2005) are less pessimistic. They argue that what they term market isomorphism does not occur through a process of diffusing ideas from the profit-sector to the non-profit sector, but through a process of translation. Certain ideas and processes from the profit sector which actors from the non-profit sector deem valuable as well, are not simply copied, but translated in such a way that they apply and are useful to the non-profit sector. Thomas and Davies (2005) note
a similar adaptability among managers in the public sector, who resist, adapt and transform certain NPM principles. Nevertheless, Monaci and Caselli (2005) do warn that in some cases, governments and/or donor may impose certain principles from the profit-sector to the non-profit sector.

Here we touch upon the issue of power relations. In much of the prescriptive literature on PPPs, a lot of emphasis is put on the need for good communication between the different parties involved (see Brinkerhoff 2002). This is assuming that ‘miscommunication’ is often inadvertently, and not part of a deliberate strategy to gain the upper hand. What is ignored in much of this type of literature is that not all of the partners in a partnership may be equal. Differential access to information may play a role, but also, as mentioned above, dependency on funding may also influence power relations (see Edwards and Hulme 1996; Klijn and Teisman 2003). Additionally, some of the parties may be lacking administrative capacities and/or financial resources to access or fully participate in partnerships. Furthermore, as Derkzen and Bock (2007) mention, some parties may also lack social and symbolic capital to access and participate meaningfully in PPPs. In a study of rural development in the Netherlands, Derkzen and Bock (ibid.) noted how certain parties were labelled as professionals and seen as experts; their inputs were considered more valuable, whereas representatives of local farmers’ organisations saw their knowledge devalued. We argue that this does not only apply to individuals; some organisations and institutions may also be considered more professional because they conform to dominant norms about how ‘proper’ organisations and institutions are organised, regulated and operate (Brunsson and Sahlin-Andersson 2000). As we will describe below, sometimes local actors will have certain organisational and institutional models enforced upon them in order to be able to participate in PPPs. This may sometimes lead to conflicts or problems with the constituencies of those actors, who no longer trust the newly created organisations or institutions. In other cases, the formalisation of organisations and institutions renders them accessible only to elites (see Mosse 2004). Nevertheless, as Derkzen and Bock (2007) show, power relations are dynamic, and local or civil society organisations may over time increase their social and symbolic capital. Furthermore, power relations depend on the institutional context; in some cases civil society organisations can seriously frustrate PPP’s activities (Eberg et al. 1996; Ghere 1996), as has occurred in the case of a number infrastructural projects in The Netherlands.
Representation and accountability hence are issues that need to be taken into account in relation to PPPs. When public institutions enter into PPPs, what happens to the public control over their activities and goals? When it comes to the non-profit organisations, how accountable are they to their constituencies, do the latter have any control over the organisations’ goals and activities (see Edwards and Hulme 1996), especially if these are subject to negotiations with the other partners? It is likely that the distribution of – beneficial – outcomes of PPPs reflect power relations; they are not neutral tools realising win-win situations for all partners involved.

A related issue is that it is not always clear which organisations and institutions are public, and which ones are private (Starr 1988; Entwistle and Martin 2005). The privatisations of the 1980s as well as the participation of public institutions in PPPs have resulted in the further blurring of the boundaries – sometimes on purpose by private actors gaining control over public institutions, as Wedel (2003) shows in her study of privatisation and PPPs in post-socialist Russia. Edwards and Hulme (1996) have shown how private non-profit organisations are often very closely linked to governments, another case of blurring the boundaries. Furthermore, the boundaries between private for-profit and private non-profit sectors are increasingly becoming blurred as well. For instance, large international conservation organisations are becoming dependent on business philanthropy, which influences their policies and programmes (Hutton et al. 2005), and a growing number of NGOs start their own businesses (see e.g. www.ICCO.nl). Starr (1988) argues that the way the public and private sectors and institutions are constituted varies from country to country, depending on a country’s – institutional – history. The same applies to defining public goods and private goods – especially relevant in the case of agriculture and land reforms as will be described below. He therefore concludes that general statements about the effects of privatisation and PPPs are very hard to make. Yet other authors, such as Klijn and Teisman (2003) argue that because there is such a clear separation between the public and the private sector – especially in terms of what they refer to as organisation culture – it is very difficult to make PPPs work. Nevertheless what does emerge from a careful reading of the literature available on PPPs is that it is important not to take PPPs at face value. Not one PPP is similar to another and careful study of the power relations, goals, interests and mode of organisation and operation, and scale of operation is needed, as well as an analysis of the institutional context in which PPPs are operating in order to
understand the distribution of benefits, costs and risks among the partners.

In this chapter we will take the above into account in the analysis of two examples of PPPs in the agricultural sector in southern Africa. Attention will be paid to power relations within these PPPs, looking at whether and how governments, NGOs and other partners involved cope with differences in interests and power.

**PPPs in practice**

One striking observation is that those involved in PPP programmes pursuing development goals developed by Northern countries such as Germany, the United Kingdom, and the Netherlands are unwarrantedly positive about the approach – as one of the authors has noted several times during meetings with fellow policymakers and development practitioners. This feeling is supported by a focus on inputs and not on outputs or results. There certainly is no lack of information on the number of millions of Euros invested in PPPs, the number of companies involved and the total size of these companies. Yet, the programme reports are worryingly silent about tangible results, such as employment generation, increase of profits for participating companies and other actors (such as farmers), benefits for consumers and the economy as a whole. The positive atmosphere around PPPs is generally not supported by a solid analysis of the results obtained. The design of the programmes tends to be extremely weak in the areas of monitoring, evaluation and impact assessment – areas that nowadays receive a lot of attention in the design of ‘conventional’ development projects, after heavy criticism in the past that it was unclear what the outcomes were of such projects (see Edwards and Hulme 1996). As a consequence, it is impossible to compare the effectiveness and efficiency of public investments in PPP with the established ‘traditional’ mechanisms of development cooperation. In this way, PPP advocates fail to surpass rhetoric.
The 2008 World Bank world development report entitled ‘Agriculture for Development’ (World Bank 2007) stresses the key role of agriculture in development, but also the need to (further) develop the links between agriculture and other economic sectors. The report promotes PPPs as a key approach to unleash the potential of the agricultural sector, referring to examples in agricultural research and extension. The arguments to support the concept of PPPs do, however, not surpass the level of PPPs being ‘the magical solution’. PPPs are described in such general and positive terms that nobody can be really against them. No details are provided about how PPPs could actually contribute to agricultural development and what the conditions are for positive contributions to development and poverty alleviation. This influential report clearly underpins the ‘value free’ approach to PPPs; it’s merely a ‘technical trick’. Is this ‘trick’ so obvious that one does not need to pay much attention how to apply it in practice? Can’t we all see the clear ‘win-win’ situations that emerge? Can’t we all see how it can be applied under a wide variety of political, institutional, economic and social contexts? The cases provided below tend to generate rather uncomforting questions around all of these issues.

**Dutch Government support to PPP under WSSD**

The Dutch government has entered the PPP arena through its endorsement of the World Summit on Sustainable Development (WSSD) in Johannesburg. Its contribution to WSSD lies in its commitment to support the implementation of several PPPs in the South, involving projects in agriculture and fisheries. This commitment is shared between the Ministry of Foreign Affairs, and the Ministry of Agriculture, Nature and Food Quality.

A quick reading of the WSSD-PPP documentation triggers the conclusion that
these firmly endorse the belief that PPPs are neutral constructions, generating win-win situations. A closer look at the projects does, however, lead one to pose key questions around who is participating (in planning, execution and/or supervision), who benefits most, who invests most, who shoulders most of the risks, how are ‘social’ and ‘commercial’ objectives balanced, and how do local interests relate to Dutch interests.

In most WSSD-PPPs sponsored by the Dutch government, a dominant role is being played by a Dutch company – be it in the Netherlands or abroad – in the design, operation and often in the ultimate benefits of the project as well. In Kenya for instance, it is striking that nearly all support is concentrated on one Dutch owned vegetable processing cum export company. 5 The donor money is almost exclusively being used for technological experiments, installing equipment and dealing with technical production issues. Herein, Dutch experts, technology providers, and technicians play an important role. The relation with local farmers seems to be based on the idea they are merely deliverers of produce to the company instead of actors who are an integral part of the entire initiative. The farmers were not consulted about the PPP, nor are they shareholders. The certification required for exportation is in the hands of the export company, providing it with an important power position in the chain. It is no surprise that under these conditions farmers are hesitant to enter into a supply relationship with the company. A marginal amount of resources has been directed to establishing relations with farmers and other local stakeholders. Among company staff and agricultural technology advisors involved in the project there was a general uneasiness to deal with the social-economic issues at hand, in practice resulting in deviating resources that were, or potentially could be, earmarked for consultations with farmers in the field. Consultations concerning market relationships, existing farming systems, institutional arrangements, farmers’ needs and perceptions as well as potential interesting outgrowers’ schemes, were not realised. Local conditions, either social, political or economic, only played a marginal role in the project set-up. Under the pretext of PPPs, one could conclude that the donor money has merely been used to strengthen a Dutch export company establishing its business in Kenya. Furthermore, Dutch experts and providers of technology have both benefited from the PPP and played a key role in shaping it. The ‘public P’ in the PPP seems to be focused on the policy objective of the Dutch Ministry of Agriculture, Nature and Food Safety to assist the establishment, functioning and expansion of Dutch agricultural firms abroad and
the export of Dutch agricultural knowledge and technology. This objective partly overlaps with some of the objectives of the Dutch Ministry of Foreign Affairs, but far less with those objectives of the same Ministry concerning international cooperation. Note that there is no eminent role being played by the Kenyan public sector.

The Kenya example would call for a closer look at the Dutch case to see whether PPPs are being used for narrowly defined company’s interest and hence could be a new packaging of more traditional forms of export promotion involving subsidised knowledge and technology. Are PPPs a new brand name for the promotion of Dutch agribusiness in the developing world? Is the Dutch government assisting starting and established entrepreneurs in developing countries with grants that are earmarked as PPPs and is it masking this support for the Dutch private sector by using a development and poverty alleviation rhetoric? This would call for a deeper look into the decision making between the commercial agenda, as pursued by Ministry of Agriculture and the development agenda, as pursued by the Ministry of Development Cooperation.

In the Kenyan example it is clear that local farmers are not an active partner of the project but merely a passive one. It would be expected that most of the poverty alleviation aspects of the project should benefit this group; all the more reason to bring them to the forefront. The project design, however, has not provided conditions for a clear engagement with farmers. Farmers are expected to ‘automatically’ benefit from the establishment of the export firm which allegedly links them to overseas markets; no efforts were made to design the business in such a way as to take into account the needs, benefits and aspirations of the farmers. In other words, the project design exhibits an implicit belief in the power of the ‘trickle down effect’. The example, however, also shows that the farmers are not entirely gullible or powerless. The exporter has not been able to convince the farmers to produce for and supply to the company. The farmers show their power by not delivering the produce demanded, and continue to focus on products that can (also) be sold at the local market, rather than risking a shift to products that are only suitable for export. By refusing to deliver to the company, the farmers seriously undermine the development of the business. An opportunity, at least a potential one, has been lost, not only to the Dutch company, but also to the farmers. It is clear that the farmers are not benefiting from the investment. With the underlying assumption that the private sector is
best suited to develop the agricultural market and ‘do business’, it is surprising that a key element of any business proposition, procurement, is not properly tackled by the export company. As a result, there is a clear danger that the PPP will only cater for hardware delivery involving equipment which will not be used – or not to its full capacity. The comparison with the well-known ‘white elephants’ of ‘old school’ development projects comes to mind here. This points to a striking lack of abilities to learn within the sector of development cooperation, to capture lessons learnt, vigorously disseminate them and ensure they will be respected when starting up new initiatives.

The question is to what extent the drive to ‘do something with PPPs’ and an eagerness to honour commitments made in the international arena, the WSSD, has influenced Dutch civil servants to buy into a PPP project such as the one referred to above. Could it be the power of the PPP discourse, the drive to experiment with a new concept, the pursuit not to stay behind concerning the international PPP hype, the tempting benefits of dealing with economic issues through private sector actors, the lobby of Dutch knowledge and technology experts to fund the project?

**PPPs in land reform in South Africa**

Another case illustrating some of our arguments concerns the so-called Strategic Partnerships in land reform in South Africa.

In 1994, after the transition to democracy, the South African government adopted an ambitious and wide-ranging land reform policy which consisted of several sub-programmes:

1) land restitution, which allowed communities and individuals who had lost their land as a result of discriminatory legislation to reclaim their land;
2) land redistribution, which assisted historically disadvantaged groups and individuals in obtaining land to foster a more equitable distribution of land;
3) tenure reform aiming at securing land rights for those members of historically disadvantaged groups living on commercial farms, in the former homelands or those who hold land in communal tenure.

The land reform policy was underpinned by constitutionally guaranteed rights to land restitution and land tenure security. Over the years, however, the land reform programme stagnated, and a shift has taken place towards a greater dominance of the market and commercial farming. At first, this shift was especially visible in the redistribution component of land reform. Land needed for
this component was always bought on a ‘willing seller, willing buyer’ basis for prices set by the market, but what changed was the assistance provided by the state to land reform beneficiaries (Hall 2004; Lahiff 2003). Initially, the Settlement/Land Acquisition Grant (SLAG) provided grants to poor people to access to land for ‘subsistence’ purposes. However, land prices were and are high, and the grants were often insufficient to both obtain land and invest in agricultural production. With the adoption of the government’s neo liberal macroeconomic strategy Growth Employment and Redistribution (GEAR), the basic principles of which continue to be important in the new (introduced in 2006) programme Accelerated and Shared Growth Initiative South Africa (ASGISA), subsidies, protection and other support to agriculture have been severely cut back (Mayson 2003; Tilley 2002). As a result land reform beneficiaries face substantial obstacles in engaging in agricultural production. The Department of Agriculture and Land Affairs, replaced SLAG by the Land Redistribution for Agricultural Development (LRAD) policy which made larger grants available, but mainly to those able to contribute to the investment in land and agricultural production. Hall et al. (2003: 5) argue that though LRAD supposedly contributes to the development of a range of agricultural developments from ‘subsistence’ to commercial farming, in practice the programme favours commercial farming of those with substantial assets. According to Mayson (2003), for those with less assets, the new approach renders partnerships with the private sector in the form of joint ventures attractive, and such partnerships are actively promoted by the South African government (Mayson 2003).

Recently, the shift towards an emphasis on commercial farming is also notable in restitution cases. In the Mpumalanga and Limpopo Provinces, government was struggling with restitution claims on farms with high-value export crops, fearing that return of the land to claimant communities would result in a drop of
production and export revenues. It is especially in this province that the new model of Strategic Partnerships between land reform beneficiaries and the private sector was embraced with great enthusiasm (Fraser 2007; Derman et al. 2007). This new model stipulates that successful claimants, organised in a Communal Property Association (CPA) or Trust, must form a joint venture with a private sector entrepreneur. This entrepreneur invests working capital, and will take control of all farm management for a period of ten years, with the option of renewal for another period (ibid.: 2-3). The idea behind the model is that it provides land reform beneficiaries not only with capital to invest in agricultural production, but also with the expertise of commercial farmers or private companies (ibid.; Mayson 2003). The entrepreneur is supposed to train the land reform beneficiaries in how to operate a successful commercial farm, and ensure that the beneficiaries receive a profitable and functioning farm at the termination of the contract. According to the Terms of Reference developed for accreditation of strategic partnerships (DLA 2008: 5) experience in capacity building is one of the criteria used for selecting private sector partners. Whether and how capacity building is integrated in the business plans developed by strategic partnerships still needs to be investigated.

Many government officials as well as organisations representing commercial farmers show a deep mistrust of small-holder farming, and consider the commercial farm model to be superior. In interviews in Limpopo Province the issue of land reforms and restitution was responded to with fears about the ‘vandalising’ and ‘destruction’ of farms handed over for restitution or redistribution. A report recently published by Centre for Development and Enterprise in South Africa stating that land reforms arguing that land reforms lead to a deterioration of production received a lot of publicity (see e.g. Mail and Guardian, 6, 12, 13 May 2008). The report claims that 50% of all land reform projects have failed, and relates this to the priority that government allegedly till recently accorded to small-scale production in land reform projects. It cites the Director General of the Land Affairs Department who warns of ‘assets dying in the hands of the poor’ (Mail and Guardian, 6 May 2008). Critics of the report, however, argue that while indeed there are problems with the productivity of land reform schemes, the assumption that government has favoured small-scale production in land reform is incorrect, and that, on the contrary, small-scale producers on restituted/redistributed land are hampered by ‘... inappropriate large-scale models of agriculture foisted on to them by government officials and
consultants. With the absence of post-settlement support, this is a key reason for the high failure rate in land reform’ (*Mail and Guardian*, 13 May 2008; see also Lahiff et al. 2008; Fraser 2007). Detailed case studies in Limpopo Province that did involve small-scale farming revealed that despite these aforementioned obstacles, most beneficiaries have seen improvements in their livelihoods, though not as much as they expected when they joined the scheme. Before land is handed over, the CPAs or Trusts have to develop a business plan in cooperation with government agricultural extension officers or consultants. The business plans that were developed for each of the schemes studied were deemed unrealistic in terms of economic returns predicted and estimated costs (Lahiff et al. 2008). Although beneficiaries themselves were positive about livelihood improvements, the Department of Agriculture is anxious about allegations that land reform is leading to decreased production, and has started a process of de-registering members of CPAs and Trusts as beneficiaries if these are seen not to participate in production. Many active members fear that they may be judged as insufficiently productive, especially if their performance is evaluated against these highly unrealistic business plans, and that they may be deregistered against their will (ibid.: 62). Apart from the fact that there is little legal basis for government to de-register members of CPAs and Trusts, Lahiff et al. (2008) also argue that no drop in production has taken place, since in the cases studied, the farms concerned had been left idle for an extensive period before they were handed over to the beneficiaries – this has been the case with many farms that were offered by their owners to government for restitution or redistribution. Nevertheless, the Director of the CDE calls for a change in land reform: ‘We are proposing a public-private partnership to provide the leadership South Africa needs to show that we can resolve a difficult issue arising from our history and do it in such a way that everyone benefits from the process’ (see www.cde.org.za). The new model of Strategic Partnerships adopted in Limpopo Province preceded this call. It fits with a long historical tradition in South Africa – as in many neighbouring countries too – of mistrust in small-scale producers (see Hughes 2006; Spierenburg 2004).

The model of Strategic Partnerships is presented as *the* solution that will provide justice to the landless and contribute to poverty alleviation while maintaining high production levels. The assumptions underlying the model, however, can be questioned. The high levels of productivity before transfer are assumed rather than ascertained. Though further study is needed, several staff members of organisations involved in assisting land reform beneficiaries have complained that
quite a number of the citrus groves offered for partnerships in land reform were in need of replacement of trees. This is consistent with earlier findings about the lack of quality and productivity of farms offered for land reform under the ‘willing seller willing buyer principle’. (Hall 2004: 18). Another, more implicit, assumption is that Strategic Partnerships are ‘real’ partnerships in which all partners are equal (cf. Brinkerhoff 2002). No attention is being paid to power relations between the private sector or commercial farmers on the one hand and land reform beneficiaries on the other, or within these groups. The role of the government officials in mediating between the groups appears to be limited. Many appear to be biased towards the commercial farm model. Furthermore, one of the most consistent complaints about land reforms concerns the lack of government capacity and funding to assist land reform beneficiaries (Hall et al. 2003; Hall 2004; Lahiff 2003).

The potential benefits of Strategic Partnerships for beneficiaries, as cited by Derman et al. (2007) include rent for use of the land paid by the private sector partner, a share of the profits, preferential employment, training opportunities and the promise that they will receive profitable and functioning farms at the termination of the contracts and lease agreements (see also CDE 2005). However, it is questionable whether the beneficiaries – or rather their CPAs or Trusts – will be able to ensure that training is part of the business plan, or that they have the capacity and means to put leverage on the private sector partner to honour promises of training. Beneficiaries may not only need training for the production side, but also in management and, and this is often neglected, in marketing products. The partnerships may result in job opportunities, but the question is which kind of jobs for which people; it may very well be that old relations of production will be continued with only lowly paid jobs for a segment of the beneficiary community. Furthermore, as some have warned, if the labourers belong to the beneficiary community, they are shareholders, and private sector partners may therefore argue that labour legislation pertaining to working conditions and minimum wage does not apply. There is also the issue of what happens to the farm labourers who were working at the farm before transfer, but who are not part of the beneficiary community. Derman et al. (2007) found at least one case in which all former labourers were fired when the farm was handed over to the claimant community. Further study is needed to obtain a better understanding of the labour issues in Strategic Partnerships.
Commercial farmers and companies also have interests in developing joint ventures, given that the cutback on government support for agriculture affects commercial farmers as well. Mayson (2003) cites a number of reasons for entering into Strategic Partnerships: Firstly, there is a need to restructure farmers’ and companies operations. It appears that in Limpopo Province, many commercial farmers are withdrawing from the production side, and are moving into marketing. By engaging in a partnership, the potentially most risky part of the chain, the production, is allocated to the beneficiaries; if training and participation in marketing is not granted to the beneficiaries, they will bear the highest risk in the process (Derman et al. 2007), though the distribution of risks along the value chain may vary from crop to crop. The private sector partner often obtains a management fee (more or less guaranteed as long as turnover can be maintained), a share in the profits of the company, and exclusive control of upstream and downstream activities, with potential benefits exceeding that of the farming enterprise itself. Also, by entering into partnerships with multiple communities in a specific area, each owning numerous farms, the private sector partners have the possibility of consolidating and rationalising production in a way that was not generally open to the previous owner-occupiers (ibid.: 12). While the strategic partner is required to share profits from on-farm production with the communities, no such requirement applies to other parts of the value chain, over which the strategic partner has exclusive control (ibid.: 14). Critics of the partnership model therefore warn that joint ventures are mainly ways for white commercial farmers and companies to spread the risk of engaging in an increasingly complex and capital-intensive sector, while at the same time gaining political credibility (Mayson 2003). Another reason to enter into the partnerships, namely the improvement of the marketing profile of companies. Lastly, land reform offers opportunities for accessing capital for expansion of production and corporate social responsibility – including development funds, grants and other
support provided to land reform beneficiaries. For example, beneficiaries receive per household a sum between 1500 and 3000 South African Rand (SAR) for the development of the land and given the fact that the model of Strategic Partnerships applies to large-scale farms, the claimed areas pertain to hundreds, in some cases thousands of beneficiary households.

Especially this last reason may lead to imbalances in the partnership. In most joint ventures the private sector partner receives 48% of the shares, the Communal Property Association of Community Trust of the beneficiaries gets 50% and 2% is for the farm workers who are not part of the beneficiary community. However, CPAs or Trusts can apply for government grants to support the development of their enterprise. It may therefore very well be that their contribution to the assets in the form of the land as well as the grants exceeds 50%, and that the private sector partner is contributing far less than their percentage of the shares justifies. Yet, this partition of the shares has become standard practice and is applied without detailed reviews of what each of the partners contributes (see also Derman et al. 2007).

The fact that the whole process of transferring the land to the beneficiaries and the approval of the partnerships takes up long periods of time, sometimes up to three years, proves to be a major obstacle. Former owners who are unsure of the outcome of the process will not invest in the maintenance of the farm, which leads to immense requirements of investment once the farm is transferred. Grants to beneficiaries even take longer to be transferred, rendering these investments difficult. In some cases the partners are the former owners, who may be short of funding too to make the investments. Commercial banks appear not to know how to deal with restituted/redistributed farms and Strategic Partnerships, and are reluctant to offer loans when it is not clear whether the land can serve as collateral. In some cases, beneficiaries run the risk of a debt-trap; private sector partner offers an advance payment to be reimbursed once the grant is paid, but against high interests. Beneficiaries may feel forced to accept because of the risk that the farming assets available on the farm will be neglected while the partners are waiting for the grants, making it more difficult to restart the farm once the grants arrive.
Negotiating contracts is difficult, and it is likely that many CPAs and Trusts do not have the capacity to do so, while many private sector partners have extensive legal and financial experience and may solicit the assistance of well-trained lawyers. Nkuzi, a land rights NGO in Limpopo Province has engaged the services of a well reputed private law firm to assist beneficiaries on a pro bono base, but the firm is based in Johannesburg; time available is limited, and the problems that beneficiaries are experiencing are many. Furthermore, beneficiaries are not always used to the fact that they actively have to approach the lawyers, and that they – as clients – have to instruct them. A case in involving the Makuleke claim illustrates the difficulties. The Makuleke have successfully claimed an area in Kruger National Park (in the Limpopo Province part of the park) from which the community was evicted in 1969. The Makuleke CPA manages its part of Kruger park through a Joint Management Board on which representatives of South African National Parks (SANParks) and Kruger National Park management are also sitting. The CPA has been granted the right to commercially exploit their part of Kruger, though their activities are subject to environmental impact assessments (see Spierenburg et al. 2006). Among the first steps taken by the Makuleke was to establish a highly profitable hunting camp on their land, which they used for a limited number of high profile hunts per year. As a second step an agreement was made with a private sector partner to develop a game lodge, called The Outpost, on the western section of their land. Recently, however, the Makuleke signed a surprisingly unfavourable agreement with another safari operator, Wilderness Safaris. The duration of this concession is forty-five years; a very long period, especially considering that the contract does little to hold the private sector partner to a certain level of performance and does not contain clear exit clauses that would allow the Makuleke to extract themselves from an unprofitable relationship. It also effectively prevents the Makuleke from hunting on the land. The community did have access to competent legal advisors. From 1997 onwards, an NGO-like structure called ‘The Friends of Makuleke‘ provided
the community with technical expertise in the land claims process, supporting the community’s Legal Resources Centre attorney and as such played an important role in the success of the claim. The FoM had been disbanded shortly before the signing of the contract, but some of its former members continued to advise the Makuleke. Responses from former members were mixed. One felt that this was the best deal that the Makuleke were likely to get; another advised the Makuleke not to sign the agreement as it stood. However, this advice came one day before the signing ceremony and was not followed. The game lodge currently generates less than what was generated by the hunting operation and it remains to be seen whether Wilderness Safari’s much higher projected income figures will eventually be achieved (Spierenburg et al. 2006).

A last potential problem with the Strategic Partnership model is that of power relations within the beneficiary community, and differences in visions about the use of the land resulting from socio-economic differentiation. Research by Derman et al. 2007 shows that the CPAs or Trusts, though these should be democratically elected, are not always representative of the beneficiary communities (see also Lahiff et al. 2008). Elites may capture the negotiations about the partnerships, and these have different interests than the poorer members of the communities. For instance, when the chairman of the CPA involved in the Hoedspruit Claim, who has a salaried job, was asked whether all members of the community were in favour of the partnership, or whether perhaps some members would prefer to move onto the land themselves to farm, he replied: ‘Yes, unfortunately we have many people who want to farm. In the home land we had irrigation schemes, I think that is why, but these schemes were abandoned by government years ago’. One of the partners, who owned part of the claimed land, added: ‘People have large tracts they do not use. We should not move people here, but we should get the infrastructure back in so they can develop where they are now, use the funds generated by the company to do that. The irrigation schemes were left in ruins, but they can be rebuilt. We sometimes forget the potential in those areas’.

This problem with representation also points to another problem with PPPs as signalled by Starr (1988) and Wedel (2003), namely, the difficulties arising sometimes about what is public and what is private. In theory, CPAs and Trusts are democratically elected local government bodies. Hence, a partnership between a CPA or Trust and a private sector company can be rightfully termed a
public-private partnership. In some cases, however, the CPA or Trust appears dominated by a few individuals who have a personal interest in the partnership, and this partnership may then very much resemble a private-private partnership – though government is still involved in approving the land transfer and the partnership. This may lead to new forms of exploitation, especially given the danger that labour legislation is considered by the partners not to apply to ‘shareholders’.

Dealing with power relations within the Strategic Partnerships is by no means easy – especially since in some cases there are also internal power relations at play amongst the group of land claim beneficiaries. The Strategic Partnership model is one in which complex legal and business matters are at stake. The private sector partners, mostly experienced corporate players with extensive legal and financial experience are in a stronger position to influence the terms of the contracts than the Land Claims Commission or the land reform beneficiaries (Derman et al. 2007: 10; see also Spierenburg et al. 2006). Above, we have already discussed how certain land rights NGOs assist claimant communities by engaging the services of lawyers and para legal assistants. Derman et al. (2007: 10) describe how in one partnership lawyers have proposed numerous changes in the contract that did not change the model but are attempts to ensure that communities have greater control over the joint operations as well as access to unused portions of the farm. To date, however, the contract has not yet been signed. Access to lawyers, however, remains difficult, and for many beneficiaries it is not easy to direct lawyers or to check the quality of their work (see Spierenburg et al. 2006).

Derman et al. (2007) however, do not only attribute threats to the better skills and more extensive experiences of the private sector, but also to the great haste with which the model is being implemented, especially in Limpopo Province. The Regional Land Claims Commission and the Provincial Department of Agriculture have developed the model without consultation with the claimant communities. No attention seems to be paid to power relations within the partnership. The private sector partners are supposed to engage in capacity building (DLA 2008), but it is not clear what will be done to ensure that capacity building will take place. Furthermore, it is likely that capacity building will not extend beyond the more technical aspects of farm operations; and hence, it is doubtful that real ‘empowerment’ is take place. One form of protection that is provided by the
state is the clause in the restitution contract that beneficiaries may not sell their land for a period of 10 years, but the question is whether this clause can protect communities from building up debts with their strategic partners that may force them to sell the land after the clause expires.

The realisation that Strategic Partnerships are fraught with power imbalances and contradictions of interests, has led another land rights NGO, the Rural Action Committee (TRAC) – operating mainly in Mpumalanga – to suggest an entirely different model. Instead of recruiting a private sector operator as a partner, TRAC proposes that land reform beneficiaries engage the services of a mentor. This mentor has experience in commercial agriculture, but since he or she is not a partner in a partnership, has no private interests that may oppose those of the beneficiaries. The mentor may at the start assume some of the management tasks to keep the farm up and running while the beneficiaries are prepared for assuming responsibilities for the management of the farm. A pilot mentorship programme was funded by a German donor, but mentors also received contributions from the beneficiaries. According to the director of TRAC the pilot was promising enough for TRAC to explore ways of continuing the programme. One of the main problems experienced was the difficulty of ensuring the continuation of production while at the same time engaging in time consuming capacity building and empowerment; in some cases the mentor took over management completely which then caused some frictions with beneficiaries. If the mentorship programme continues, it would be interesting to study it in more details to investigate whether it can truly offer an alternative to the Strategic Partnerships. One of the problems that remains unsolved though – and this is related to the requirement of developing a business plan for the entire land claim – which is how to deal with the differences within beneficiary communities in expectations and plans about how to use the land as well as with problems concerning control over the decision-making processes within CPAs and Trusts.

Conclusions
In this chapter we have described the emergence of the concept of PPPs as a panacea for service delivery and economic development. The World Bank (2008) has proved an enthusiastic supporter of PPPs in agricultural development in developing countries. However, the Bank fails to elucidate exactly how PPPs are to contribute to agricultural development is not clearly spelled out, and lessons learnt from PPPs in other domains are ignored. Through the presentation and analysis of two cases concerning PPPs in agricultural development, we have questioned some of the assumptions underlying the high hopes for PPPs, and pinpointed some crucial issues that need to be addressed if PPPs are going to be used as vehicles for agricultural development.

What is striking in both cases is the confidence that governments appear to have in the efficiency and effectiveness of the private sector. In the Kenyan case there is the implicit assumption that investment in an export company will automatically lead to a ‘trickle down’ effect, no need was felt to spell out how the export company would contribute to economic development for local farmers, nor for their participation in the project design. In the South African case more attention is paid to this, strategic partners are to provide training to land reform beneficiaries to prepare them to take over the farms – though it is unclear if and how the strategic partners will be held accountable for the accomplishment of the training. Yet, in this case there appears to be no question about the commercial farming model as the only viable land use option. This model is, as Fraser (2007) also remarks, enforced upon land reform beneficiaries in the Limpopo Province. This belief in the private sector appears to be so strong, that one of the lessons learnt from more ‘conventional’ development programmes, namely the need for feasibility studies, monitoring and evaluation, appears to be forgotten. This is all the more remarkable as the private sector is believed to be much more ‘outcome driven’ than the public sector (see Brunson and Sahlin-Anderson 2000). In the Kenyan case procurement was not considered as a critical issue, and investments
in technology continued as if the sourcing of produce was no problem at all. In the South African case it appears that very little monitoring takes place to check whether the obligatory training programmes are indeed implemented and whether land reform beneficiaries are prepared for taking over the farms.

Another lesson learnt from ‘conventional’ development programmes concerns community participation. Many studies have shown that community participation in development projects is no easy feat, but a very necessary and integral part of development projects, not just in the implementation phase, but more importantly, also in the project design phase (see e.g. Agrawal and Gibson 1999; Ribot 1999). In the Kenyan case local farmers did not play an active role in the project. As a result, farmers did not produce the crops the export firm needed, jeopardising the whole project. In the South African case, the commercial farm model is enforced upon land reform beneficiaries in Limpopo Province. The needs of beneficiaries are not taken into account. The Strategic Partnership model was a reaction to earlier failures of some of the land restitution projects, these failures were attributed to the lack of support to land reform beneficiaries (Hall and Lahiff 2003). However, the Strategic Partnership may not be the only – or for that matter the best – solution to deal with land reform failure. No attempts are made to investigate possibilities for supporting small-scale farming. In theory, land reform beneficiaries are involved in the development of the business plans for the farms. The beneficiaries, however, are not a homogeneous group, and there are indications that the partnerships are ‘captured’ by elite members of the beneficiary groups, which is not an uncommon problem in development projects (see e.g. Platteau 2004). If participation is to be meaningful, local farmers and land reform beneficiaries need to be empowered in terms of capacities and skills in negotiating with private sector partners and in developing business plans. As the example of the Makuleke claimants and their negotiations with tour operators shows, negotiations and entering into contracts can be extremely complex, and many private sector companies have a huge advantage in comparison to local farmers and beneficiaries in terms of capacities, but also access to legal services. Furthermore, benefits for local farmers and land reform beneficiaries also depend upon their position in the value change, and the distribution of risks and profits along that chain. Providing local farmers and beneficiaries with insights into their relative position in the value chain is crucial.

Lastly, both cases show that in PPPs it is not always clear what the public and the
private interests are, or what the roles of the different parties involved are. In the South African case the CPAs entering into partnerships with the private sector are, in theory, democratically elected local governance institutions, hence, public institutions. Yet, a risk exists that the members of the CPAs, who often belong to the elite and are advantaged vis-à-vis other community members in terms of education, will defend the interests of the elite rather than other members of the community of land reform beneficiaries and will start acting like they are forming a private company. The Kenyan case shows another complication, that of conflicting roles within governments. The interests supporting Dutch agribusiness seemed to override the interests of supporting local economic development in Kenya. The question remains whether and how public money should be used to support a private sector organisation. The participation of a public institution in a PPP may also shift the interests of that institution, shifting it towards the success of the PPP rather than in carefully taking into consideration the public interest. As Klijn and Teisman (2003) conclude from their analysis of PPPs in The Netherlands, before embarking upon a PPP, it should be clear what the interests are of the different parties involved, and what their roles are; not only within the PPP, but also considering their mandate. We would like to add that it is also crucial that this mapping of interests and roles continues at regular intervals, since these often change over time. PPPs are too easily considered as win-win strategies, and differences in approach, mandates and interests as a result are not always transparently communicated between and to all parties involved.

In sum, when reviewing the potential development impact of PPPs, a thorough review of the dynamics in power positions between and within partner(organisations) is essential. This is by no means an easy task, even if the partners involved are willing to be transparent about their interests, approaches and mandates. Lately, a number of development institutes have started to experiment with approaches to power. An example is the Power Cube approach developed in cooperation with the Institute of Development Studies in Sussex (Gaventa 2005). However, reviewing power dynamics is often not enough; if PPPs are to have a positive impact on the poorer partners, these need to be provided with capacities and skills that will enable them to better defend their interests in negotiations about and participation in PPPs. Lastly, it is important that the private (for profit) sector model is not adopted without critically reviewing its applicability to specific projects and within specific socio-economic contexts. It is crucial that learning is not unidirectional, and that the lessons learnt from past
development practices should also be taken into account.

**Notes**


2 See also the platform for sustainable and solidarity economy organised by the famous economist Bob Goudzwaard.


5 One of the authors has been involved in this project as an advisor.

6 These interviews were conducted in relation to a joint research project of the Programme for Land and Agrarian Studies in South Africa and the VU University of Amsterdam in which one of the authors is involved. This project is funded by the South African Partnership for Alternative Development (SANPAD) and the VCAS Vereniging of the VU University in cooperation with the VU Centre for International Cooperation.

7 Interviews staff members of The Rural Action Committee, Nelspruit November 2007 and of MABEDI, Bushbucksridge, November 2007.

8 Interviews staff members of The Rural Action Committee, Nelspruit November 2007.

9 See the website of the Department of Land Affairs, Government of South Africa: www.pwv.gov.za. One Euro is between 11 to 12 South African Rand.

10 Interviews with members of the CPA and partners involved in the Hoedspruit claim, November 2007; interviews staff members of The Rural Action Committee,
References


**Newspaper articles**


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Marja Spierenburg’s earlier book publications include Strangers, Spirits and Land Reforms, Conflicts about Land in Dande, northern Zimbabwe (Brill 2004) and, together with Sandra Evers and Harry Wels, Competing Jurisdictions. Settling Land Claims in Africa (Brill 2005)