Land Reform Futures

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Gordon Institute for Business Studies (GIBS)
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Vumelana / Reos
Land reform scenarios

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What land, to be shared by whom, how, with what rights and what outcomes?
Some broad arguments

1. There are several land questions – not one
2. While land reform falters, an anti-agrarian reform is underway
3. Dramatic changes to land reform being proposed – radical language, but a ‘populist patch-up’?
4. Recent turn away from rights towards conditional tenure
5. Vesting control in strategic partners and traditional authorities – entrenching dualism?
6. Political impetus around an alternative vision for agrarian reform is yet to gain ground
Land redistribution

- Settlement / Land Acquisition Grants
- Land Redistribution for Agric Development
- Proactive Land Acquisition Strategy

Mapping policy trends

<table>
<thead>
<tr>
<th></th>
<th>Acquisition</th>
<th>Tenure</th>
<th>Class agenda</th>
<th>Land use</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLAS (2006-now)</td>
<td>Market-based purchase</td>
<td>No transfer of title</td>
<td>Not means-tested (unclear)</td>
<td>Agriculture only</td>
</tr>
</tbody>
</table>
Latest iterations of land redistribution

- State Land Lease & Disposal Policy
- Recapitalisation & Development Prog
- Agricultural Landholdings Policy Fwk?

A small sample of tenure on state-owned but ‘redistributed’ land in the Eastern Cape

<table>
<thead>
<tr>
<th>Farm</th>
<th>Municipality</th>
<th>Land uses</th>
<th>Strategic partner</th>
<th>Tenure status</th>
</tr>
</thead>
<tbody>
<tr>
<td>MK</td>
<td>Amathole</td>
<td>Beef cattle, sheep</td>
<td>No</td>
<td>Expired caretakership</td>
</tr>
<tr>
<td>MF</td>
<td>Ndlambe</td>
<td>Dairy cattle, chickens, pigs</td>
<td>No</td>
<td>Expired caretakership</td>
</tr>
<tr>
<td>WZ</td>
<td>Sunday’s River</td>
<td>None</td>
<td>No</td>
<td>Expired lease</td>
</tr>
<tr>
<td>SF</td>
<td>Sunday’s River</td>
<td>Beef cattle</td>
<td>No</td>
<td>No documented rights</td>
</tr>
<tr>
<td>GK</td>
<td>Ndlambe</td>
<td>Beef cattle, vegetables</td>
<td>Yes</td>
<td>Expired lease</td>
</tr>
<tr>
<td>GM</td>
<td>Ndlambe</td>
<td>Chicory, cattle</td>
<td>Yes</td>
<td>Expired lease &amp; expired caretakership</td>
</tr>
<tr>
<td>SL</td>
<td>Sunday’s River</td>
<td>Citrus</td>
<td>Yes</td>
<td>Lease (but beneficiaries are not the lessees)</td>
</tr>
<tr>
<td>NG</td>
<td>Sunday’s River</td>
<td>Citrus</td>
<td>Yes</td>
<td>Lease (but beneficiaries are not the lessees)</td>
</tr>
<tr>
<td>NK</td>
<td>Ndlambe</td>
<td>Cattle, vegetables</td>
<td>No</td>
<td>No documented rights</td>
</tr>
<tr>
<td>YS</td>
<td>Makana</td>
<td>Vegetables, chickens</td>
<td>No</td>
<td>No documented rights</td>
</tr>
<tr>
<td>RG</td>
<td>Makana</td>
<td>None</td>
<td>No</td>
<td>Expired caretakership</td>
</tr>
</tbody>
</table>
Recapitalisation & Development Programme

Funding model on a five-year cycle:
• Year 1: 100% funding for infrastructure and operational costs;
• Year 2: 80% funding for development needs;
• Year 3: 60% funding for development needs;
• Year 4: 40% funding for development needs; and
• Year 5: 20% funding for development needs.

Requirements:
• Business plan plus strategic partner or mentor

Objectives:
a) increase agricultural production;
b) guarantee food security;
c) graduate small farmers into commercial farmers;
d) create employment opportunities within the agricultural sector;
e) establish rural development monitors.

LAND REFORM PERFORMANCE TO DATE
RADP PROJECTS PROGRESS REPORT

<table>
<thead>
<tr>
<th>PROVINCE</th>
<th>TOTAL NUMBER OF PROJECTS</th>
<th>NUMBER OF STRATEGIC PARTNERS</th>
<th>NUMBER OF Hectares</th>
<th>BUDGET SPEND THROUGH RADP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>160</td>
<td>52</td>
<td>92 989</td>
<td>240 349</td>
</tr>
<tr>
<td>Free State</td>
<td>177</td>
<td>70</td>
<td>132 186</td>
<td>284 476</td>
</tr>
<tr>
<td>Gauteng</td>
<td>130</td>
<td>26</td>
<td>27 329</td>
<td>122 412</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>174</td>
<td>58</td>
<td>89 223</td>
<td>284 292</td>
</tr>
<tr>
<td>Limpopo</td>
<td>177</td>
<td>44</td>
<td>71 517</td>
<td>265 458</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>195</td>
<td>61</td>
<td>160 157</td>
<td>408 813</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>76</td>
<td>40</td>
<td>347 625</td>
<td>141 281</td>
</tr>
<tr>
<td>North West</td>
<td>204</td>
<td>77</td>
<td>211 156</td>
<td>315 887</td>
</tr>
<tr>
<td>Western Cape</td>
<td>58</td>
<td>9</td>
<td>39 718</td>
<td>83 439</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>1 351</strong></td>
<td><strong>437</strong></td>
<td><strong>1 171 900</strong></td>
<td><strong>R2 146 407.00</strong></td>
</tr>
</tbody>
</table>
Recap: from fixing failed projects to becoming the sole source of support

- Recap review found low efficiency (investment:results).
- ‘These results are particularly weak for the Free State’
  - R2.9 million per project (R3.9 mill in FS)
  - R463 284 per beneficiary (R1.02 mill in FS)
  - R588 284 to create one job (zero jobs created in FS)
- Recap has in practice replaced all prior grant and support systems in redistribution (PLAS) and restitution – unlike its original intention.
- What does it mean to be a ‘beneficiary’?
  - If you don’t own the land and
  - If you don’t control production

Farm tenure

- Extension of Security of Tenure Act
- Land Reform (Labour Tenants) Act
- Strengthening Relative Rights Policy (50%)
- ESTA Amendment Bill
‘Strengthening Relative Rights’

Communal tenure

- Interim Protection of Informal Land Rights
- Communal Land Bill
- Communal Land Rights Act
- Communal Land Tenure Policy
- Communal Property Associations Policy
The ‘Wagon Wheel’ – land titling and transfer to traditional councils

Restitution

• Restitution of Land Rights Act

• Restitution of Land Rights Amendment Act
Overarching story

- Away from pro-poor neo-liberalism towards the convergence of state resources, private capital and traditional authority
- Elite capture of shrinking state resources – dangerous combination in context of escalating political rhetoric
- Net effects: conditional tenure (‘productive discipline’, ‘disciplined service’) transferring rights and entitlements to dependence on state and chiefly patrimonialism

A meta-debate obscures core realities

- The big red herrings: market tweaking and misdirecting public resources
  - Foreign ownership
  - Land ceilings
  - 50/50 policy
- The non-answers of the opposition, neither of which address rights and redistribution
  - Nationalisation
  - Privatisation
Possible reasons for hope?

- Office of the Valuer-General
  - Could develop coherent approach to just and equitable compensation, esp if guided by courts, to expedite expropriation
- District Land Committees
  - Could forge partnerships and develop local plans that match demand with supply of land

PARADIGM CHOICES
for land agrarian reform

1. ‘MARKET BASED APPROACH’
2. ‘GEARING UP WITH THE PRIVATE SECTOR’
3. ‘DEVELOPMENTAL STATE: THE STATE COMES IN’
4. ‘RADICAL RESTRUCTURING’
PARADIGM CHOICES
for land agrarian reform

1. ‘MARKET BASED APPROACH’
   - Focus on commercial production
   - Reliance on market for support
   - No change in state role
   - Continuation of current trends

2. ‘GEAR Ing UP WITH THE PRIVATE SECTOR’
   - Improved resourcing from state
   - More reliance on private sector
   - No restructuring of markets
   - Limited deracialisation

3. ‘DEVELOPMENTAL STATE: THE STATE COMES IN’
   - Interventions in input, credit & output markets
   - Production subsidies, extension & infrastr
   - Growth of smallholder sector while retaining commercial core

4. ‘RADICAL RESTRUCTURING’
   - Legal & economic measures to counter the dominance of agribusiness
   - Nationalisation / large-scale expropriation
   - Smallholders or state-controlled estate farming.

Variables that may shape the future

1. Party politics and electoral trends
   - Declining ANC rural vote? Challenge to its majority?
2. The economy
   - Current account deficit, inflation, jobs in urban industry and mining
3. Budget and institutional capacity
   - Continued capital budget cuts & weak bureaucracy?
4. Agricultural policy and profitability
   - Overall structure, trade balance, direction of change, jobs
5. Balance of social forces
   - Specific alliances… state/agribusiness, urban/rural, trade unions & social movements
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<th>Party &amp; electoral politics</th>
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<td>Gradual decline, prices growth, rising inflation &amp; growing budget deficit</td>
<td>Declining budget &amp; growing staff corps without dramatic increase in delivery</td>
<td>Cost-price squeezes, growing power of supermarkets, failure/absence of agricultural production &amp; marketing support</td>
<td>Absence of effective social movement of rural poor; fragmented labour movement, capital convergence with state</td>
<td>State-capital alliance drives land reform in favour of narrow stratum of commercial farmers, agribusiness &amp; rural elites</td>
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<td>Serious challenge to ANC hegemony from EFF / other political formations force a shift to the left</td>
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<td>Massive increase in budget for land reform and state capacity to plan, implement and support land reform</td>
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<td>Social packing with landowners and key actors in farm value chains, and interventions through trade and agricultural policy to transform the sector</td>
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