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# RURAL LAND REDISTRIBUTION IN SOUTH AFRICA: CONTRASTING VISIONS AND MODELS

## KEY CHALLENGES:

- *Who should benefit from rural land redistribution?* The rural poor, the landless, women and youth? Smallholder farmers? Black commercial farmers? If a mix of all these, in what proportions?
- *How should land for redistribution be identified, acquired and transferred?* What are the respective roles of the state, citizens and the private sector?
- *What kinds of rights should beneficiaries hold on redistributed land?* Private title? Collective ownership through communal property associations or communal tenure? Leases from the state?
- *What kinds of support should be provided to beneficiaries?* Training, extension and advice, finance, marketing, access to water? Who will provide this?
- *What are the desired outcomes of land redistribution?* Historical redress and enhanced dignity? Distribution of productive assets to poor South Africans within an altered agrarian structure? Opportunities to earn income? Enhanced national or household food security?
- *Given climate change, how can the long-term sustainability of food and farming systems be secured?*
- *How can the capacity to implement land redistribution effectively be developed and sustained?* How can government and other programmes be implemented in a less compartmentalised and fragmented manner?

## BACKGROUND

There is widespread agreement that land reform in South Africa is in deep trouble. However, there are very different perspectives on what should be done to address the failure to meaningfully redistribute land and resolve the land question.

Section 25 of the Constitution requires land redistribution to promote equitable access to land, but progress has been slow and the programme largely ineffective. Budget allocations have been derisory, with only around 0,4% of the annual national budget allocated for land reform as a whole, and around 0.1% for land redistribution (HLP, 2017:50).

Over time, land redistribution had steadily drifted away from its original pro-poor focus. Concerns about the high levels of project failure and the inability of the state to ensure support for those acquiring land are recurrent themes. Mounting frustrations over unmet demands for secure access to land in rural and urban areas featured prominently in public hearings on a possible amendment to the constitution, called by parliament's Constitutional Review Committee in 2018.

How to resolve the land question? What should be done? An ambitious conference held in February 2019 took a close look at how the redistribution of land in rural areas could be re-imagined. It did not aim to reach consensus, and the vigorous debate and contestation that took place helped to clarify the key issues and challenges that policy must grapple with.

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The 'Resolving the Land Question' conference was organised by PLAAS at the University of the Western Cape in association with the University of Fort Hare and Rhodes University, and funded by embassies and NGOs from different EU countries.

## CHANGING LAND REDISTRIBUTION POLICIES

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The evolution of redistribution policy and programme priorities across the Mandela, Mbeki and Zuma presidencies provided the backdrop for the discussion of the three papers.

In the Mandela era, land redistribution policy and practice was characterised by a pro-poor approach where land was seen as an asset to promote multiple livelihoods, and beneficiaries were means-tested. In the Mbeki period, priorities shifted towards land for black commercial farmers.

In the Zuma period, the rhetoric around radical economic transformation infused the discourse around land reform. In practice, however, budgets for land reform fell year-on-year, while accelerated state incapacity contributed to policy confusion, fruitless expenditure, corruption, and the capture of land and assets by the politically connected.

So, under the Ramaphosa presidency, what is needed to turn things around and make land redistribution work?

## THREE CONTRASTING MODELS

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The conference interrogated three commissioned papers that offered contrasting visions and models of land redistribution in rural South Africa. Papers addressed who should benefit from redistribution, how land should be identified, acquired and transferred, what kinds of rights people should hold on redistributed land, and what support they should receive. They also offered views on the desired outcomes of redistribution.

### PRIVATE SECTOR-LED LAND REFORM

A paper prepared by agricultural economists Nick Vink and Johann Kirsten of Stellenbosch University proposes a private sector-led, decentralised 'fast track' land redistribution programme over the next ten years. The authors argue that the experience of the past 25 years demonstrates clearly that the state is unable to effectively drive land reform. Land reform has been an expensive failure, increasingly hollowed out by elite capture, and resulting in the destruction of the productive potential of most of the land transferred.

Vink and Kirsten propose a land redistribution process in which the state plays a minimal direct role, and the approach advocated in the National Development Plan is adopted. Land reform planning and implementation are driven by multi-stakeholder Land Management Committees established at local municipality level. These will:

- Agree on a local vision for agriculture
- Identify 20% of land for redistribution
- Approve beneficiaries according to agreed criteria
- Initiate projects and ensure appropriate support.

Beneficiary identification will be in accordance with national guidelines but set at project level by the Land Management Committee. In farming, the bias should be towards partnerships with existing farming operations or individual farming. Existing poor farmers and farm workers should also receive support. All beneficiaries should enjoy secure property rights in the form of tight contracts in the short term, and then either long-term leases or freehold titles.

Vink and Kirsten emphasise that private sector-led land redistribution will require incentives, such as an amnesty on tax-indebted properties, BEE empowerment recognition, water rights and export permits. These will enable and encourage land donations to a national land depository by a range of types of landowner, and contributions to a national land reform fund. Sources of finance include could joint financing models implemented by agribusiness, commercial farmers and banks. Investment in state guaranteed land reform bonds could also raise funds. Land availability could be accelerated by transfer of state-owned land and targeted expropriation of tax-indebted land or farms in financial distress. Restructuring the Land Bank could help provide access to long-term subsidised finance.

Central to the success of this approach would be processes to enable subdivision of land, allocation of water rights and speedy transfer of titles and leases. Commercial farmers could seek to address redistribution targets by subdividing and donating land to selected farm workers.

Farmer support can be leveraged from existing networks of input suppliers, supply chains, markets and banking institutions.

Echoing the National Development Plan, land redistribution should aim to support one million new livelihoods over the 'fast-track' period of ten years.

### PROMOTING MULTIPLE LIVELIHOODS

Michael Aliber of the University of Fort Hare proposes a land redistribution programme that strikes a balance between different objectives including poverty reduction, diversifying the agricultural sector, addressing the symbolism of land and the political need for real change. Beneficiaries include rural and peri-urban households who need land for settlement and some subsistence production, small-scale farmers and large-scale farmers.

Aliber argues that available research indicates that 75% of people interested in land want relatively small pieces of land (between 0.1-1 ha) primarily for settlement, but also some household food production. The paper argues that this need can be met primarily by acquiring land on peripheries of small and larger towns. Some people also want to gain access to grazing land on municipal commonages. The paper also differentiates between small-scale and large-scale black farmers, both of whom produce for the market.

The eligibility of those who fall into the settlement category will need to be means tested, while for small-scale farming, evidence of farming experience must be a requirement. Upper limits on government contributions in the form of grants and land will need to be set for both small-scale and large-scale farmers. Programme costs per household will vary substantially, and relatively small numbers of large-scale black farmers would account for most of the land acquired and transferred.

The paper modeled potential outcomes based on a return to an annual redistribution budget of R4.5 billion. It also projected what could be done by tripling the redistribution budget and continuing at this scale for 20 years: transferring 20 million hectares to over a million beneficiaries. But this would still fall short of meeting the estimated demand for land.

Aliber recognises an ongoing and active role for the state in land redistribution, but recommends a process of decentralised area-based planning to identify land and beneficiaries. This could combine pro-active and state-led processes of land purchase through the market for small-scale farmers, with applicant-led acquisition through the market for large-scale farmers, and expropriation playing only a modest role. For settlement-oriented beneficiaries, targeted land expropriation is more important. Effective redistribution requires speedy processes to subdivide large farms and allocate water rights, and must use a 'concentrated approach' to acquire and transfer land.

In relation to land rights, settlement-oriented projects will see land held by Communal Property Associations (CPAs) or being integrated into adjacent communal areas. Small-scale farmers will hold land through a CPA, and large-scale farmers through an individual freehold title.

Clearly a successful redistribution programme involves much more than the transfer of land. The paper is skeptical about the capacity of the state to provide intensive support for settlement-oriented and small-scale farmers, and proposes a range of simple and inexpensive forms of support, such as SME-based tractor services and micro-irrigation. The extension and support needs of large scale farmers will need to be met by the private sector.

### A SOLIDARITY ECONOMY MODEL

Mazibuko Jara of Ntaba Ntinga ka Ndoda argued for a departure from neo-liberal models of land reform, with key roles for both the state and active citizens. Land-hungry households and communities should be the main beneficiaries of land redistribution, including unemployed people, farm workers and dwellers, small-scale farmers and people living in informal settlements.

The 'new' political commitment to land reform by the ruling party is characterised as merely attempting to reshape commercial agriculture in favour of a class of aspirant black capitalists.

In Jara's model, the state should be at the centre of processes to acquire and transfer land, following a 'transformative logic'. These

include the need for historical redress, equitable land access to the land-hungry, decongestion of the former homelands and other densely populated zones, breaking up large farms to enable the growth of smaller farms, and viewing land as an asset for multiple uses. Key processes must include municipal-level Integrated Development Plans making provision for land reform, combined with area-based planning, the mapping of farms in debt, under-utilised land and claims for land restitution, and the review of all leases of public land to private users.

The state must provide legal certainty, security and protection of different bundles of rights to redistributed land. These include the primary reassertion and legal recognition of land as a public good with an inherent social value that trumps private property ownership, and the recognition of diverse forms of tenure beyond private title deeds

The state must ensure support in the form of social facilitation, spatial planning, marketing support and interventions in the agricultural value chain. A radical new direction is needed to factor in impacts of climate change and the mounting ecological crisis caused by industrial farming systems. The state must play these roles based on consultation with and empowerment of self-organised beneficiaries, negotiations where appropriate with current land owners, and with the involvement of courts as a matter of last resort, under clear criteria set out in an amended Constitution.

Land reform can contribute to four transformative outcomes: historical redress, wealth and asset redistribution, decent livelihoods and the transformation of local economies.

## CONVERGING POSITIONS

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Despite the very different answers provided in these three papers to the key questions listed above, there are clearly some important points of agreement. These were reiterated at the February conference. There is widespread recognition that land redistribution must:

- Be needs-based, demand-led and predominantly pro-poor (while also supporting the development of black farmers producing at scale)

- Enable historical redress through substantial redistribution of assets
- Provide affordable, registered, transactable and corruption-proof rights in land for all citizens, recognising that currently the land rights of between 60 and 70% of all South Africans remain off-register
- Recognise and cater for a diverse range of needs across a wide variation of scales, spatial settings and agro-ecological conditions, best addressed through decentralised and simplified processes of area-based planning and monitoring
- Recognise that those acquiring land need long-term support and access to subsidised finance, as well as the (re)-allocation of water rights
- Provide legal entities holding land acquired through land reform on behalf of groups with greatly improved levels of support to exercise their land administration functions
- Require and enable the speedy subdivision of large farms
- Never lose sight of processes of rapid urbanisation and population growth under way in South Africa, which require an uninterrupted and secure supply of affordable food in urban areas.

Overall, the conference participants agreed that bureaucratic inertia, policy confusion, corruption and incapacity in the state reached crisis levels during the Zuma presidency. Attempts to restore state credibility and capacity will encounter many obstacles as many citizens have developed a deep mistrust of state institutions.

## KEY DIFFERENCES

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Despite apparent convergence on some key issues, fundamental differences remain. It is far from clear that those proposing different approaches agree on what is meant by 'pro-poor land reform'. In other words, what is the class agenda of land redistribution?

In addition, controversy surrounds the respective roles of the state, the private sector and an active citizenry within a land redistribution programme. Massive differences exist in relation to conceptions of agriculture, especially the 'viability' of small-scale production systems and the agro-ecological sustainability of the high-tech version of commercial farming that currently dominates in South Africa.

## THE ROLE OF THE STATE

Fundamental differences exist concerning the role of the state in the land redistribution process. Advocates of private sector-led land redistribution argue that the state is incapable of planning and managing the redistribution of land. They point to widespread corruption and fundamental misalignments of state functions which mean that beneficiaries do not receive adequate support. The solidarity economy position argues that there is a need to rebuild the state from below - requiring mass mobilisation and new relations of power. Those who advocate a multiple livelihoods approach tend to adopt a 'realist' position, reluctantly recognising the continuing role of the state, but seeking to ensure its effectiveness by implementing decentralised models of stakeholder-driven land reform.

## THE SUSTAINABILITY OF CURRENT FOOD AND FARMING SYSTEMS

The advocates of private sector-led land reform are largely silent on the sustainability of current food and farming systems, in a context of rapid climate change and the mounting ecological costs of industrial agriculture. The need to develop an alternative model of farming and transforming food value chains is an organising principle in the solidarity economy approach, although in discussion questions were raised as to whether this can ensure a secure supply of food to a rapidly urbanising population.

## CHANGING THE AGRARIAN STRUCTURE

There are competing visions of a future agrarian structure in South Africa. For some, past policies have sought to deracialise the edifice of existing capitalist agriculture while leaving the economic fundamentals untouched. Against this, they propose a vision of a transformed food and farming system which promotes local production of high quality food for local consumption, the enlargement of small-scale family farming, and emphasises 'food sovereignty' as the basis for a new agrarian structure.

## CONTESTED CONCEPTIONS OF 'VIABILITY'

Mainstream agricultural economists offer models of 'proper farming', market access and the centrality of economic 'viability' in agricultural enterprises as determined by

markets. Those who advocate an approach that supports multiple livelihoods point to the existence of smaller-scale producers who are viable in their own terms. They sell millions of rands of produce through informal markets, which remain largely invisible and unsupported by the state and the formal agricultural sector.

## GAPS AND CONCERNS

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Some gaps and concerns were also noted at the conference. Participants observed that the failures of the land reform programme have provided a perfect stage for polarising the land debate, and for grandstanding and political theatre. This threatens to delink discussion about the land question from the evaluation of reality-based solutions.

Thinking in 'silos' (separating out issues of redistribution, restitution and tenure, without a coherent view of how they are linked) has contributed to a crippling fragmentation in programme design and implementation.

The failing land restitution programme is a potential threat to effective land redistribution. The report of parliament's High Level Panel shows that it will take 35 years at the current rate of progress to settle existing claims. If 'new order claims' lodged since 2014 are added, these would take almost a century and a half to settle, at huge cost.

There is widespread concern that debates about the land question are taking place without interrogating what South Africa might look like 20, 30 or 50 years from now. Foresight requires us to factor in water scarcity, soil depletion, population growth and accelerated urbanisation, in order to conceptualise food security in the long term.

Only 12% of South Africa is suitable for rainfed cropping while only 3% of agricultural can be regarded as highly fertile. Of the remainder, slightly less than 70% is suitable for grazing with much of this on rangelands with very low carrying capacity. What this means for land reform and redistribution has yet to be addressed. Also lacking are serious conversations about climate change and its implications for the land reform programme and agricultural production at all scales.



## DISAGREEMENTS ON LAND REDISTRIBUTION POLICY

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1. Everyone agrees that land redistribution should be 'pro-poor', but what exactly is meant by this? This remains unclear.
2. The respective role of the state, citizens seeking land, and the private sector in land redistribution is not agreed upon.
3. The agro-ecological sustainability of current food and farming systems is a key question for some, but not for others. Should land redistribution aim to support sustainable systems of production, distribution and consumption?
4. Should land redistribution aim to reconfigure the agrarian structure of the country (e.g. by creating a large number of smaller-scale farmers), or should it aim only to transform the racially unequal pattern of ownership?
5. What does it mean to state that land redistribution projects must be 'viable' What criteria should be used to assess this? Should they be based on the large-scale commercial farm model only, or can criteria be developed that are appropriate for land users at other scales, with different objectives?

## CONCLUSION

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There are no easy answers to the five key questions at the core of the debate on rural land redistribution. In particular, the differentiated nature of the needs for land by different potential beneficiaries poses major challenges. Can they all be accommodated, or must some be prioritised?

Similarly, the very diverse agro-ecological contexts in which land redistribution must be implemented also presents real difficulties. The idea that 'one size does not fit all' is critically important for policy-makers to embrace.

Which of the three land redistribution models discussed here is most appropriate for South Africa? Which has the potential to make the most significant contribution to reducing poverty and inequality in rural South Africa, while maintaining national food security, but also ensuring that food and farming systems become agro-ecologically sustainable?

Where there is convergence, as in relation to decentralised and area-based planning, there is no need to choose between models. In

addition, some elements of each of the three models might be adopted as policy, aiming to make them complementary to one another. Thus, aspects of the private sector-led model might work best for black large-scale commercial farmers, and aspects of the multiple livelihoods model might be appropriate for small-scale market-oriented farmers.

Elements of the solidarity economy model, such as the empowerment of potential beneficiaries to ensure accountability and transparency, could be made central to land redistribution as a whole. A truly pro-poor land reform, together with a future-proof agricultural and food system, urgently requires active citizen engagement in developing localised and context-specific solutions.

Sticking points remain: who will take responsibility for making land reform work? How can South Africa recover from the damage done to the credibility and functionality of the state? How do we move beyond the political theatre of the land debate and transcend the politics of expediency?

The conference showed that, despite profound ideological differences, there is substantial commitment across a broad spectrum of stakeholders to making land reform work. Further dialogue, research and experimentation are needed to support the process, to shape new policy and help turn it into reality.

## REFERENCES & RESOURCES

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High Level Panel of Parliament, 2017. 'Report of the High Level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change'. Cape Town: Parliament of South Africa.

All three papers below were commissioned for the Land Redistribution conference held at the University of the Western Cape on 4<sup>th</sup> and 5<sup>th</sup> February 2019.

1. Aliber, Michael, 2019. 'How can we promote a range of livelihood opportunities through land redistribution?'
2. Jara, Mazibuko, 2019. 'Land redistribution in South Africa: Pondering the solidarity economy alternative'.
3. Vink, Nick and Kirsten, Johann, 2019. 'Principles and practices for successful farm land redistribution in South Africa.'