

Reflections on recent developments on South Africa's land reform debate

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South Africa's land reform political context

- Invocation of history: land dispossession and evolution of commercial farming on exclusive basis
- The creation of exclusive farm support programmes by the state post 1910
- Group Areas Act and Influx Control right to the 1980s
- Failure of economic justice in 1994 transition/ correction of historical injustices
 - Post-1994 settlement did not include an economic transformation package
- Internal ideological contestations within the ruling party (how to shift gears)
- Weaknesses in institutional capacities of the state have become glaring
- Weak foundations of government-business relations on the redistributive and social justice agenda

South Africa land reform snapshot

Rationale: not just economic considerations (i.e. agrarian reform) – it is a historical legacy.

- Pillars:
 - **Restitution** - claim back land that was dispossessed
 - **Redistribution** - broaden access to ownership (for productive use)
 - **Tenure reform** - provide legally secure rights to land in former 'homelands' and farm dwellers (**almost no progress**)
- Timeline:
 - 1994 – 2006
 - Relatively little market disturbance – state buys from willing sellers at market value (often inflated prices).
 - Slow land transfer pace - very little progress in land transfer by the state – progress estimated at 9% to 24% (mainly redistribution)
 - In 2006, **the State introduced PLAS (Proactive Land Acquisition Strategy)**, which meant that the land acquired by state will not be transferred to beneficiaries but only leased on short term basis (starving them of capital/ lack of collateral).

(Continued) South Africa land reform snapshot...

- 2007 - 2011
 - 2007 ANC policy conference resolved that 'willing-buyer, willing-seller' should be abandoned in favour of expropriation.
 - Constitution allows for expropriation WITH 'just and equitable' compensation (but never applied this).
 - Decision made, but never followed through – expropriation never used since Expropriation Act (1975) was outdated. New Bill in process from 2008 to date (no progress thus far).
- 2011 – present
 - Green paper on land reform (reimagining land reform policy);
 - Land reform pace perceived to be slower than the desired pace, thus leading to frustrations in society.
 - This sowed a seed for the proposed **Expropriation Without Compensation** – no clarity on this position at the moment.

Against this backdrop, what are government finance institutions doing?

Resolution on land redistribution adopted at the 54th ANC Conference in December 2017

- “15. Expropriation of land without compensation should be among the key mechanisms available to government to give effect to land reform and redistribution.
- 16. In determining the mechanisms of implementation, we must ensure that we do not undermine future investment in the economy, or damage agricultural production and food security. Furthermore, our interventions must not cause harm to other sectors of the economy.
- 17. The ANC’s approach to land reform must be based on three elements:
 - increased security of tenure,
 - land restitution and
 - land redistribution.....
- ...These interventions should focus on government-owned land and should also be guided by the ANC’s Ready to Govern policy document which prioritised the re-distribution of vacant, unused and under-utilised state land, as well as land held for speculation and hopelessly indebted land” - *ANC 54th Conference Resolution Report*

Key takeaway from the ANC resolution

- Land reform must be done in an orderly manner
- Must be guided by sound legal and economic principles
- Must contribute to job creation and investment objectives
- Effective support measures for beneficiaries
- Focus on state-owned land
- Accelerate the rolling out of title deeds to black South Africans in order to guarantee their security of tenure and to provide them with instruments of financial collateral

Motion of parliament on “expropriation without compensation”

- In its motion, the EFF moved that the National Assembly establish an ad hoc committee to review and amend section 25 of the Constitution to make it possible for the State to expropriate land in the public interest without compensation.
- The ANC amended parts of the motion to read as such:
- “With the concurrence of the National Council of Provinces (NCOP) instruct the Constitutional Review Committee to review section 25 of the Constitution and other clauses where necessary to make it possible for the state to expropriate land in the public interest without compensation.”

If the Review Committee consultations are anything to go by – we still have a long way to go...

This is where we are now

