



LAND REFORM: A WAY FORWARD ON THE IMPASSE

Public Servants Association

January 2019

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The year 2019 will see the vote on the debatable and politically-charged *Expropriation Bill* reach Parliament, signaling a crucial moment for the ever-more strident calls for land reform. While the success of the *Bill* and the subsequent programme remains uncertain, questions need to start being asked on how government can make land reform work as well as possible. To make such a fundamental programme of reform work, the state will need to urgently begin preparing the underlying infrastructure to manage the land reform process. At least four important changes will be needed.

First, clarity is needed on a number of remaining aspects of the *Expropriation Bill*. While the *Bill* clarifies a number of contentious questions - such as which land will be open to expropriation, and what procedure will be required for the expropriation process - questions remain on a number of issues that will determine the benefits and costs of expropriation. For current land owners, clarity will be needed on the question of what will happen to outstanding mortgages on land that is expropriated. This matters both for the land owner, who could be saddled with unproductive debt; and for banks, that could face waves of defaults on expropriated agricultural land. Given that there is little reason to believe that mortgages are inflated because of expected government expropriation, basic principles of fairness seem to suggest the government should take on the burden of the mortgage. If this approach is taken, funding should begin being set aside for these cases, to avoid blockages during the rollout of the programme.

For potential new land owners, more clarity is needed on how redistribution will be undertaken. Prior rounds of land reform featured serious limitations in the distribution of land, even when land had already been purchased by government. This issue is particularly tricky because such a broad constituency of South Africans expects to benefit from land reform. Unlike previous rounds of land reform, which grounded themselves in the need for applicants to prove they were historically dispossessed, the political groundswell in this round of redistribution seems to demand that expropriated land be available to historically dispossessed, to address broader systematic marginalisation. A system to choose who gets lands when will therefore be essential, since the inevitably slow pace of redistribution will mean that only a very small portion of expectant beneficiaries will be granted land at any given time.

Second, the administrative apparatus needed to expropriate land will need to be put in place. The priority issue in this area will be undertaking a land census that is of adequate detail to guide expropriation decisions.

Existing data on land generally uses a small sample to calculate averages, but the land reform programme will need more specific and detailed information, in which information on ownership and usage is available for specific parcels of land. Once this underlying information is in place, the core institutions of reform will need to be developed and properly capacitated. Special provisions will also need to be made for the inevitable backlash against expropriation and will need to provide for responses to legal challenges, concerns from international investors, and criticism in the media. A rapid response team, ideally located in the Presidency, may be needed to properly manage the many questions and concerns that are bound to arise from the politically-charged process.

Third, government needs to urgently intervene to reform the key departments and agencies that will be charged with transforming land redistribution into sustainable wealth creation. Top of the list must be to institute serious changes at the Department of Agriculture, Forestry and Fisheries (DAFF). The DAFF will be required to lead on training new farmers, supporting the quality of South African produce, and securing markets for farmers. And yet, the Department has had problems in all respects - with inadequate systems of support for small farms, a number of international markets being shut off because of lack of upkeep of food safety agreements, and promising new programmes, such as the agroparks, limited in their ability to assist with land reform.

Beyond simple support to new farmers, the DAFF will need to tackle the issue of how to support a broader transformation of the agricultural sector in South Africa. Even if land reform were to succeed in radically boosting the number of black farmers, key parts of the agricultural value chain remain untransformed. Key steps in the value chain - such as silos and other storage, cold storage for fresh goods, agroprocessing, and the marketing of agricultural products - are where a lot of the power and money in farming actually lies, and a lack of proactive engagement with these areas will make for a transformation policy that fails to grapple with the full scope of imbalances in the sector.

Finally, government needs to confront and clarify the role land redistribution plays in a broader, programme of economic empowerment and transformation in South Africa. The world is currently gripped by populist fever, and in many cases these movements tend to coalesce around a single symbolic issue. This could be a movement against immigration in the United States and Europe, the movement towards Brexit in the United Kingdom, or the embrace of religious populism in India and Brazil. In each case, these issues are a mix of real issues, and symbolic placeholders for deeper discontent. The same is true of land in South Africa. While there is no question that a more equitable distribution of land is a very important issue, the land question has taken on an importance that goes far beyond the transformation of ownership.

Calls for land are now clearly about a vast array of issues, stemming from economic disempowerment, a lingering sense of racial disenfranchisement, and a generalised desire for security in the face of economic precariousness. Land is now such a loaded question that even the best devised and executed policy of land reform will not be enough, because the underlying complaints will remain in place. Land reform must therefore be only one part of a broader system of policy reforms, one that remains cognisant of the market demands that have previously shaped our policy, but that are also more assertive in pursuing economic justice for the majority of South Africans. It is only in creating real, widespread transformation that the underlying reasons for the demands for land reform can be truly addressed.