



## DA policy on land reform

December 2013

**Contents**

- 1. Introduction..... 3
- 2. The land reform challenge ..... 4
  - 2.1. The need for land reform in South Africa..... 4
  - 2.2. Land reform progress ..... 6
    - Failed projects and recapitalisation ..... 7
    - Characteristics of the reform process to date..... 8
- 3. The DA’s approach to land reform ..... 8
  - 3.1. Focussing on the real land challenges..... 8
    - Broadening the focus of land reform to address urban land pressures ..... 8
    - Prioritising tenure security in communal land areas ..... 9
    - Re-thinking land reform targets ..... 10
  - 3.2. Growing the agricultural sector and keeping land productive..... 11
  - 3.3. Using land reform models that work ..... 14
  - 3.4. Prioritising appropriate support..... 14
    - Tailor support to beneficiary needs ..... 15
    - Reconsider the sequencing of training..... 16
    - Involving key partners ..... 17
  - 3.5. Establishing an institutional framework for successful land reform..... 18
    - A turn-around strategy for the Department of Land Reform ..... 18
    - Secure funding to speed up land reform ..... 19
    - Making available the necessary information for sound decisions on land reform..... 20
    - Eliminating uncertainty ..... 21
- Conclusion ..... 23

## 1. Introduction

To achieve the DA's objective of an Open Opportunity Society for All, the DA's economic and social policies are primarily aimed at creating the circumstances for growth and job creation.

In rural economies South Africa's history of racial dispossession has left the country with skewed patterns of ownership that excludes the majority of South Africans from land assets and inclusion in rural economies.

The DA supports a land reform process that achieves redress in rural communities, that promotes economic inclusion to lift rural people out of poverty, and supports growth and prosperity in the agricultural sector.

As land and land-use is intricately tied to food production and food security, policies that affect land ownership and land use must prioritise the need to ensure the continued supply of food at prices that are affordable to ordinary South Africans.

Progress in achieving equitable land ownership has been very slow and the ANC government's land reform approach has not been successful in establishing an emerging class of commercial farmers, in supporting subsistence farming to maintain and enhance food security, in addressing the insecure land rights of the millions of South Africans living on state-owned communal land, or in addressing the urgent land pressures in urban areas.

*We must shift the focus of land reform from meeting targets to meeting needs.*

The DA proposes an approach to land reform based on the following principles:

- Land reform is a moral and political imperative and represents an opportunity to invigorate rural economies by giving rural dwellers greater access to productive assets.
- The land reform programme must look beyond rural land and truly address the land needs of South Africans who have historically been excluded from land and property ownership, including the need for access to urban land and housing opportunities.
- Our land reform strategy must be informed not by the need to achieve quantitative land targets, but by the objectives to (i) support a thriving commercial agricultural sector that can protect South Africa's food security, (ii) promote emerging small-scale farmers where economically viable, and (iii) alleviate poverty and support household food security through appropriate assistance for subsistence agriculture. The success of land reform should therefore be determined in terms of the livelihoods created or supported and economic value created, rather than the hectares of land transferred.
- We must ensure that citizens in the former homelands enjoy their full rights as democratic citizens by giving them security of tenure on the land on which they live and farm.

- Insufficient funding and institutional challenges in the Department of Rural Development and Land Reform cannot be allowed to undermine the land reform process.
- Comprehensive support, tailored to the needs of beneficiaries as they move through the various stages of business development, must be understood and be one of the top priorities of the Department of Rural Development and Land Reform.
- Stakeholders in the private sector and civil society can make an invaluable contribution to the success of land reform, and government departments must actively pursue partnerships and collaboration to achieve shared goals.
- We need comprehensive data on land reform projects that will allow for the identification of common failures that must be addressed and the duplication of models that have been successful.
- Confidence in key assets in rural economies must be restored through clarity on the approach to land reform.

## 2. The land reform challenge

### 2.1. The need for land reform in South Africa

Apartheid policies caused serious distortions in the distribution of land between white and black South Africans.

The Native Land Act of 1913 prohibited Africans from purchasing or leasing land outside the reserves created by the apartheid government<sup>1</sup>. This law is considered one of the “original sins” of apartheid as it set in motion the pattern of “dislocation and deprivation”<sup>2</sup> that characterised property arrangements under the apartheid government. The Act reserved approximately 87% of South Africa’s land exclusively for white ownership and was the basis of the “Bantustan” policy which relegated black citizens and once-prosperous black farmers to a reservoir of cheap, unskilled labour for white farmers and industrialists<sup>3</sup>. An estimated 2.7 million African people were forced to relocate to the areas assigned by the white government<sup>4</sup>.

The Native Land Act was, however, not the only law which dispossessed citizens of land on the basis of race. Other legislative frameworks that contributed to dispossession include the following:

- The Native Trust and Land Act of 1936 made the land in the reserves the possession of the state under the control of tribal chiefs;
- Various measures to restrict ownership by Indian South Africans in urban areas, including the Pegging Act of 1943 and the Asiatic Land Tenure and Indian Representation Act of 1946.

---

<sup>1</sup> Thompson, L. 1990. *A History of South Africa*. Sandton: Radix.

<sup>2</sup> James, W. & Lever, J. 2001. ‘The Second Republic: Race, Inequality and Democracy in South Africa’, in C.V. Hamilton *et al* (eds). *Beyond Racism: Race and Inequality in Brazil, South Africa and the United States*. London: Lynne Rienner.

<sup>3</sup> Thompson. 1990.

<sup>4</sup> James & Lever. 2001.

- The Group Areas Act of 1950 led to a “second wave” of evictions and it is estimated that 860 000 people, the majority of which were coloured, were forced from their homes in South African towns and urban areas<sup>5</sup>.

Importantly, these laws also institutionalised the informal tenure arrangements which were a key factor in establishing South Africa’s dualistic agricultural sector in which a developed commercial farming sector co-exists with a large number of subsistence farms under communal land ownership<sup>6</sup>.

A small pool of commercial farmers (now estimated at around 37 000) are responsible for 95% of marketed agricultural output<sup>7</sup>. The majority of small plot land owners rely on “multiple livelihood strategies” in which farming makes a small contribution<sup>8</sup>. There is an estimated 200 000 commercially oriented smallholder farmers of whom the majority operate in the former homelands<sup>9</sup>. A further 2.9 million households are described as “subsistence producers” who produce agricultural goods for their own consumption<sup>10</sup>. Only 3% of the households with access to agricultural land use this land as the main source of their income<sup>11</sup>.

The rural development and land reform programme in South Africa must therefore fulfil the multiple objectives of:

- Advancing social justice through a programme of rural redress;
- Expanding the modern, advanced commercial agricultural sector in an inclusive manner – including more inclusive ownership and participation in businesses in the agricultural value chain, such as agri-processing, marketing and distribution;
- Promoting security of tenure to enhance agricultural activity in communal land areas;
- Providing appropriate support to subsistence agriculture in recognition of its role in alleviating rural poverty; and
- Maintaining food security, both on household level and in South Africa as a whole.

South Africa is, however, an urbanising society. According to UNDP data, the percentage of the population living in urban areas has increased from around 52% in 1990 to almost 62% by 2010. This figure is likely to continue to increase<sup>12</sup>. A survey conducted by the Centre for Development Enterprise (CDE) has shown that only 9% of black people who “are currently not farmers have clear farming aspirations” and that land aspirations are most often linked to a desire for urban land and housing opportunities<sup>13</sup>.

---

<sup>5</sup> James & Lever. 2001.

<sup>6</sup> OECD. 2006. *Police Brief: Agriculture Policy Reform in South Africa*. Available. [Online]: [http://www.nda.agric.za/docs/GenPub/SA\\_policybrief.pdf](http://www.nda.agric.za/docs/GenPub/SA_policybrief.pdf) (March 2013).

<sup>7</sup> Worth, S. 2012. *Agricultural extension in South Africa: Status quo report*. Cape Town: Phuhlisani.

<sup>8</sup> Tregurtha, N. & Vink, N. 2008. *Presidency Fifteen Year Review Project: Review of agricultural policies and support instruments, 1994-2007*. Online. [Available]: [http://www.thepresidency.gov.za/docs/reports/15year\\_review/economic/agricultural\\_policy.pdf](http://www.thepresidency.gov.za/docs/reports/15year_review/economic/agricultural_policy.pdf) (March 2013).

<sup>9</sup> Worth, 2012.

<sup>10</sup> Worth, 2012.

<sup>11</sup> Tregurtha & Vink, 2008.

<sup>12</sup> United National Development Programme. 2011. *Human Development Report*. Available. [Online]: <http://www.undp.org.za/the-country-programme/human-development-report-2011> (March 2013).

<sup>13</sup> Centre for Development and Enterprise. 2005. *Land Reform in South Africa: A 21st Century Perspective*. Available. [Online]: <http://www.cde.org.za> (March 2013).

The national approach to land reform must take cognisance of these realities and efforts to transform rural land ownership must be coupled with initiatives to broaden ownership of urban land and properties.

## 2.2. Land reform progress

Land reform failures in the 20 years since our political transition in 1994 represent a lost opportunity to empower a growing pool of South Africans for economic participation.

Progress in the three pillars of our land reform approach has been limited.

- Some progress has been made with regard to the *restitution* of land dispossessed under apartheid with 77 149 of the 79 696 initial restitution claims received having been processed. Between 1995 and 2013, the state has acquired 4001 parcels of land with a total size of 1.44m ha for restitution purposes at a total cost of R10 billion<sup>14</sup>. The total cost of the restitution programme to date has been R16 billion, of which R10 billion was used for land acquisition and R6 billion has been paid out as financial compensation to claimants<sup>15</sup>. In the 77 148 claims that have been settled, more than 92% of claimants (71 292) preferred financial compensation over land restoration<sup>16</sup>.

### *Land ownership in SA*

- Total land area: 122 million ha
- Farmland: 100 million ha
- White-owned commercial agricultural land: 82 million ha
- Target for land reform: 24.5 million ha (30% of the 82 million ha)
- Only 13.7% of total land area (16.7 million hectare) is arable – the rest only suitable for sheep, goat or game farming
- 3 million ha of high quality agricultural land owned by black South Africans, mostly in former homelands
- 26 million ha (22%) of South African land is owned by the state.

Sources: CDE, 2005; Nkwinti, 2013a.

- Between 1994 and January 2013, 4 813 farms (with a total size of 4.12 million ha) were transferred to black South Africans through various *redistribution* programmes<sup>17</sup>. The state spent R12.9 billion in acquiring this land<sup>18</sup>. Research by the CDE has shown that in certain provinces, land transfers through private land transactions is up to five times higher than the transfers through government programmes<sup>19</sup>. As the Department of Rural Development and Land Reform is yet to complete a full audit of land ownership in South Africa, it is not possible to estimate how much land has been transferred to black, coloured and Indian citizens through private land transactions.

*In terms of the figures provided by Minister Gugile Nkwinti in the State of the Nation Debate in February 2013, a total of 5.56 million ha has been distributed through various reform programmes, the equivalent of 6.78% of white-owned commercial agricultural land.*

<sup>14</sup> Nkwinti, G. 2013a. Speech by the Minister of Rural Development and Land Reform, Gugile Nkwinti (MP) at the debate on the State of the Nation Address - "Building vibrant, equitable, and sustainable rural communities" - National Assembly, Parliament of the Republic of South Africa. Available. [Online]: <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=34328&tid=98998> (March 2013).

<sup>15</sup> Nkwinti, 2013a.

<sup>16</sup> Nkwinti, 2013a.

<sup>17</sup> Nkwinti, 2013a.

<sup>18</sup> Nkwinti, 2013a.

<sup>19</sup> Centre for Development and Enterprise, 2005.

- In terms of *tenure reform*, the government's focus has been primarily on securing the tenure rights of farm workers and labour tenants. The land rights of citizens living in communal land areas remain fundamentally unsecure.

The constitutional court nullified the Communal Land Rights Act (CLaRA) in May 2010, but no alternative policy or legislative frameworks have been forthcoming. The Department of Rural Development and Land Reform's Green Paper on Land Reform (2011) does not deal comprehensively with communal land tenure.

The DA agrees with the diagnosis of the National Planning Commission who, in the National Development Plan (NDP), identifies insufficient tenure security for black farmers in communal areas as a "major risk" to agricultural expansion and the objective of building inclusive rural economies.

Agricultural economist Nick Vink estimates that the total sum spent by government on land reform is close to R69 billion, with an additional R14 billion budgeted for land reform over the medium term<sup>20</sup>. According to Vink this should have been enough to purchase 58% of productive agricultural land in South Africa. This does not correlate with the actual progress made with land reform initiatives<sup>21</sup>.

#### *Failed projects and recapitalisation*

There is consensus that the failure rate of land reform projects in South Africa is unacceptably high.

The Minister of Rural Development and Land Reform, Gugile Nkwinti, has put the failure rate at 90%<sup>22</sup>. Frans Cronje of the South African Institute of Race Relations, claims that "it is accepted" that eight out of ten land reform projects in South Africa have failed<sup>23</sup>. Professor Ben Cousins, Director of the Institute for Poverty, Land & Agrarian Studies (Plaas), argues that these figures are overstated and that the actual failure rate is closer to 50%, with a further 30% of projects considered to be struggling<sup>24</sup>. A 2005 study by the University of Pretoria showed that on close to a quarter of farms transferred through the land reform programme, there has been no production since the transfer to new owners<sup>25</sup>.

This has forced the Department of Rural Development and Land Reform to focus much of their efforts on the recapitalisation of failing projects. Since 2010, the department has invested R1.8 billion in the recapitalisation of 696 farms. Funding was allocated to infrastructure, inputs and strategic

<sup>20</sup> Erasmus, D. 2013. 'Land reform a complete failure – Vink', in *Farmers Weekly*. Available. [Online]: <http://www.farmersweekly.co.za/news.aspx?id=40197&h=African-livelihoods-at-risk,-says-AU-summit-report> (June 2013).

<sup>21</sup> Erasmus, 2013.

<sup>22</sup> SAPA. 2010. *Use it or lose it – Nkwinti*. Available. [Online]: <http://www.news24.com/SouthAfrica/News/Use-land-or-lose-it-Nkwinti-20100302> (March 2013).

<sup>23</sup> Cronje, F. 2012. *Land Ownership and Land Reform in South Africa*. Available. [Online]: <http://www.ngopulse.org/article/land-ownership-and-land-reform-south-africa> (March 2013).

<sup>24</sup> Sherry, S. 2012. 'Deficiencies in Land Reform'. *Financial Mail*. Available. [Online]: <http://www.fm.co.za/politics/2012/09/12/deficiencies-of-land-reform> (March 2013).

<sup>25</sup> Rapport. 'Nuwelinge sukkel om te oorleef'. 11 March 2007. p.5.

support<sup>26</sup>. Between 2010 and 2012, the number of farms in need of recapitalisation increased from 1 307 to 1 807<sup>27</sup>.

### *Characteristics of the reform process to date*

The land reform process in South Africa has been characterised by:

- Very slow progress in terms of the volume of land transferred;
- A relatively successful restitution programme – although this success has not contributed to significant changes in land ownership as most claimants preferred financial compensation;
- A tenure reform programme which has not addressed the insecurity of tenure in communal land areas;
- An unacceptably high failure rate in terms of agricultural activity on land transferred through the land reform programme, which means that land reform has become a serious threat to food security; and
- Continued uncertainty in terms of the true state of land reform in South Africa in the absence of a land audit which could quantify the contributions to land reform by the private sector.

The ANC has contributed to land reform failures through a policy approach that has not prioritised effective agricultural enterprise on land redistributed through the reform programme, the legislative vacuum around communal land ownership, a Land Reform Green Paper that does not address key land reform challenges, and inconsistency between its rhetorical statements on land and the practical proposals outlined in the National Development Plan.

## **3. The DA's approach to land reform**

### **3.1. Focussing on the real land challenges**

The emotion attached to land and the symbolic importance of land ownership in inter-group relationships contributes to the complexity of the land debate. To achieve successful reform, it is, however, imperative that we look beyond the emotion and make it our goal to provide practical solutions on how we can broaden the ownership of productive assets in the rural economy in a sustainable way, build inclusive rural economies that lift people out of poverty and empower South Africans through property ownership where they need it.

### *Broadening the focus of land reform to address urban land pressures*

With the exception of restitution initiatives, land reform in South Africa has been primarily focussed on the redistribution of agricultural land in rural areas. South Africa is, however, an urbanising society. According to UNDP data, the percentage of the population living in urban areas has increased from around 52% in 1990 to almost 62% by 2010. This figure is likely to continue to increase<sup>28</sup>.

---

<sup>26</sup> Nkwinti, 2013a.

<sup>27</sup> Lund, T. 2012. 'SA not reaping the benefits of land reform', in *Financial Mail*. Available. [Online]: <http://www.fm.co.za/fm/2012/08/08/sa-not-reaping-benefits-of-land-reform> (March 2013).

<sup>28</sup> United Nations Development Programme, 2011.



As mentioned above, research shows that only 9% of black people who “are currently not farmers have clear farming aspirations” and that land aspirations are most often linked to a desire for urban land and housing opportunities<sup>29</sup>.

Illegal land occupations, which could be seen as an expression of critical land needs, are also at this stage mostly an urban phenomenon most regularly occurring as informal settlements in peri-urban areas.

Whilst there is an undeniable need to make rural economies more inclusive and address the consequences of apartheid legislation on land ownership in rural areas, the national approach to land reform must take cognisance of urban land pressures.

In national government, the DA will alleviate pressures around urban land through the following:

- Speeding up the *expansion of housing opportunities* by providing serviced plots close to urban centres.
- Increasing *security of tenure* in informal areas by amending Section 10 of the Housing Act (Act 107 of 1997) which concerns restrictions on the voluntary sale of state-subsidised housing. The current probationary period of eight years will be reduced to two<sup>30</sup>.
- *Abolish transfer duties on land transfers* for all first time, owner-occupied residential purchases under R2 million, as well as for purchases by over 65-year-olds.
- Introduce a *subsidy programme aimed at the low-income “gap” housing market* to assist those who do not qualify for RDP housing in gaining access to bank loans.
- *Making state land available* for urban densification.
- Expanding and *improving the management of commonages* in peri-urban areas which are used by the urban poor to supplement their incomes.
- Ensuring that land identification for land transfers (for both agricultural and non-agricultural purchases) form part of an integrated system of spatial development planning – which takes into account the need to preserve high-value agricultural land for productive purposes.

#### *Prioritising tenure security in communal land areas*

Approximately 21 million South Africans live on more than 17 million hectares of communal land, which amounts to around 17% of the country’s total farmland area.

Despite the fact that CLaRA has been struck down the 2003 Traditional Leadership and Governance Framework Act, which resuscitated tribal boundaries created by the 1951 Bantu Authorities Act, remains in place. This consigns the 21 million South Africans living in communal areas to the status of tribal subjects. The Traditional Courts Bill published in 2012 seeks to once again empower the chiefs and creates a perverse payoff structure in which chiefs can abuse their power by withholding patronage or effecting arbitrary evictions.

In February 2012, the DA submitted a Private Member’s Bill (PMB) to address the legislative void with regard to reforming communal land rights in the former homelands. The bill was rejected by

---

<sup>29</sup> Centre for Development and Enterprise, 2005.

<sup>30</sup> An additional restriction will be added to prevent recipients of state-subsidised housing who have successfully sold their property from reapplying.

ANC members of the Committee on Private Member's Bills and Legislative Proposals who held the patriarchal view that argued that rural communities may lose their economic livelihoods by making poor decisions regarding the sale or use of private land. But history suggests that the benefit of *probable* innovation through unleashed entrepreneurial capital outweighs the cost of *potential* abuse.

The National Development Plan (NDP) identifies insufficient tenure security for black farmers in communal areas as "the first major risk" to the objective of building "integrated and inclusive" rural economies. It is thus nonsensical to continue with discussions on land reform policy if this major risk to the process is a no-go area in the debate.

Approximately 7% of arable agricultural land has been transferred through the land reform process to date. Even if security of tenure is only achieved on 50% of communally owned land (4% of South Africa's total farmland) it could represent a major leap in the government's progress towards reform targets.

A national DA government would rid the country of Verwoerdian land patterns by pursuing programmes that allow citizens in the former homelands to enjoy their full rights as democratic citizens and give them security of tenure on the land on which they live and farm. The ANC government's approach to this issue is giving black South Africans inferior land rights, reminiscent of apartheid.

DA policy proposals to improve tenure security in communal land areas include the following:

- *Demarcate communal land areas as municipalities* governed by the Municipal Systems Act.
- Clearly distinguish between the administrative duties of tribal chiefs (as recognised in the Traditional Leadership and Governance Framework Act of 2003) and their direct role in allocating land use rights in communal land areas.
- *Release state-owned land in the former homelands* for reform purposes.
- Urgently initiate procedures to *address the legislative vacuum* with regard to tenure security in communal land areas.
- Use existing legislative frameworks (including the Designated Provision of Land and Assistance Act, 126 of 1993; and legal structures like Home Owner's Associations) to *initiate tenurisation* in municipalities where we govern.
- Develop omnibus legislation to *give "deemed rights" to landowners in communal land areas* that are managed on laws of contract and would make whatever rights citizens currently have on communal land (e.g. right of use or right to occupy) fully tradable.
- Develop a Recognition of Land Ownership Act that would *reduce regulatory burdens* (e.g. around environmental impact assessments and engineering services reports) in instances where tenurisation is simply a process of *formalising existing insecure land rights*.

### *Re-thinking land reform targets*

Government has set itself a goal of redistributing 24.5 million ha of agricultural land to black South Africans through redistribution and restitution programmes. This quantitative target has no reference to the quality of land to be distributed and did not place any obligation on the state to

ensure that those settled on this land operate sustainable agricultural businesses or improve their livelihoods through subsistence agriculture.

Only 12% of the country (14.6 million ha) is suitable for the production of rain-fed crops and only 3% (3.6 million ha) is considered truly fertile land<sup>31</sup>. By under-emphasising variables such as the quality of land, the proximity to markets and the enormous differences in the economic potential of land in different regions, land reform goals are rendered essentially meaningless.

Despite these purely quantitative targets, the Department of Rural Development and Land Reform is not currently in a position to account for the actual distribution of land between different racial groups in South Africa (in the absence of a comprehensive land audit).

With the majority of restitution beneficiaries opting for financial compensation rather than land, one would also expect that a land-equivalent of financial compensation would be included when considering progress towards the 30% target.

In his Budget Vote Speech in 2012, Minister Gugile Nkwinti told parliament that his department is working on translating amounts paid as financial compensation to restitution beneficiaries into hectares<sup>32</sup>. No such figures have been forthcoming.

Whilst it is clear that the target of transforming 30% of white-owned commercial agricultural land will not be attained, the ANC government has not yet formally revised land reform targets.

A national DA government will:

- Develop *alternative measures for the success of land reform* programmes – including: (i) changes in perceptions around land ownership and its impact on national reconciliation, (ii) improvements in livelihoods of land reform beneficiaries, (iii) the percentage of projects focussed on commercial agricultural activity that become self-sustaining and that provide reasonable incomes for those involved and (iv) using land value or economic value as a measurement of land transfer over and above hectares transferred.
- Take *all land transfers into account* when measuring the volume of land transfers. This would include (i) transfers of state land, (ii) land transfers through private transactions, (iii) transfers through redistribution and restitution programmes, (iv) a land-equivalent of restitution claims in which financial compensation was awarded, and (v) communal land on which tenure is secured.

### 3.2. Growing the agricultural sector and keeping land productive

The contribution of the agricultural sector to South Africa's Gross Domestic Product (GDP) has decreased from 9.1% in 1965<sup>33</sup> to more than 3% in 1994 and less than 2% in 2012<sup>34</sup>. According to the

<sup>31</sup> World Wildlife Fund. 2009. *Agriculture Facts and Trends: South Africa*. Online. [Available]: [http://awsassets.wwf.org.za/downloads/facts\\_brochure\\_mockup\\_04\\_b.pdf](http://awsassets.wwf.org.za/downloads/facts_brochure_mockup_04_b.pdf) (March 2013).

<sup>32</sup> BuaNews. 2012. *Nkwinti clarifies land distribution target*. Online. [Available]: <http://www.buanews.gov.za/rss/12/12051610351001> (March 2013).

<sup>33</sup> National Department of Agriculture. 2005. *Economic Review of South African Agriculture: 2005/6*. Online. [Available]: <http://www.nda.agric.za> (March 2013).

Bureau for Food and Agricultural Policy (BFAP), agriculture's share of formal sector employment has declined from 15% to 5% between 2000 and 2012<sup>35</sup>. In the last 15 years, the number of commercial farmers has decreased from 100 000 to 37 000.

Estimates in the National Development Plan suggest that South African farmers will have to increase their output by 20% to meet food demand by 2030. Some researchers argue that threats to national food security presented by land reform are overblown, as the top 25% of commercial farmers produce the bulk of agricultural outputs<sup>36</sup>.

Small-scale farming units do, however, play an important role in supplementing incomes and household food requirements and contraction in this level of production can have a significant impact on access to food in poor rural communities.

The Oxford Business Group lists policy uncertainty as one of the key issues constraining growth in South Africa, citing "conflicting rhetoric, confusing legislative interpretations and...policy reversals" as key concerns<sup>37</sup>. The Deputy Minister of Agriculture, Forestry and Fisheries, Pieter Mulder, has admitted that the "biggest problem present in agriculture is the uncertainty about land and uncertainty about further government interference in agriculture"<sup>38</sup>. Uncertainty around land reform and the potential resultant decreases in agricultural investment could have a significant impact on food security.

In the Pro-active Land Acquisition Strategy, government is also specifically targeting high-yielding agricultural land which becomes the property of the state before being transferred to beneficiaries. A lacuna in land use on these properties where land has not yet been transferred can also contribute to food insecurity.

Where poor soil management, over-fertilisation and poor farm management decrease crop yields, the poor will face the brunt of price spikes in basic commodities, such as maize, rice, corn and soybeans<sup>39</sup>. The *New York Times* reported in June 2011 that consumption of these four staples has "outstripped production for much of the past decade" with demand being serviced from "once-large" stockpiles<sup>40</sup>. These imbalances have led to serious increases in international grain prices, with some grain prices increasing by more than 200%<sup>41</sup>. Poor South Africans who spend a larger portion of their income on food are hardest hit by such increases.

---

<sup>34</sup> Bureau for Food and Agricultural Policy. 2012. *Farm Sectoral Determination: An analysis of agricultural wages in South Africa*. Online. [Available]: <http://bfap.co.za/documents/research%20reports/BFAP%20farm%20sector%20determination%20report%20draft%2017%20Dec.PDF> (March 2013).

<sup>35</sup> Bureau for Food and Agricultural Policy, 2012.

<sup>36</sup> Lund, 2012.

<sup>37</sup> Oxford Business Group. 2012. 'The good and the bad: The strengths and weaknesses of doing business in South Africa'. Available. [Online]: <http://www.oxfordbusinessgroup.com/news/good-and-bad-strengths-and-weaknesses-doing-business-south-africa> (April 2013).

<sup>38</sup> SAPA. 2013. 'Policy uncertainty hindering SA agriculture'. Available. [Online]: <http://www.bdlive.co.za/business/agriculture/2012/08/02/policy-uncertainty-hindering-sa-agriculture> (April 2013).

<sup>39</sup> Pillay, K. 2012. 'South African – and global – food security is under threat', in *Daily News*. Available. [Online]: <http://www.iol.co.za/dailynews/opinion/south-african-and-global-food-security-is-under-threat-1.1370824#.UVLjchd-5qM> (March 2013).

<sup>40</sup> Gillis, J. 2011. 'A warming planet struggles to feed itself', in *New York Times*. Available. [Online]: <http://www.nytimes.com/2011/06/05/science/earth/05harvest.html?pagewanted=all> (March 2013).

<sup>41</sup> Gillis, 2011.

The declining contribution of agriculture to economic growth and concerns around local food production reflect a change in the structure of the South African economy. The agribusinesses have, however, also had to respond to important recent shifts in the competitive landscape for agriculture. These include:

- An increasingly competitive market for agricultural products, in which South African farmers are no longer protected from international competition and do not enjoy the support historically provided by agricultural marketing boards in the marketing and distribution of their products.
- Rising input costs (including a steadily increasing minimum wage for farmworkers), which necessitate an increase in the size of economic units in order to benefit from economies of scale.
- Shifts in the international food market, including an increase in the trade of agricultural products and changes in the nature of consumer demand which have increased competition in the market for agricultural products and requires agri-businesses to be more nimble in responding to consumer demands<sup>42</sup>.
- A rise in the role of supermarkets as the primary marketing channel for food products, which has meant that food is now sourced from international rather than national or local suppliers and that the food value chain is being dominated by specialised wholesalers. This has reduced market entry points for agricultural producers<sup>43</sup>.

The DA recognises the changes in the competitive environment for agriculture and, when in government, will work to create an enabling environment for inclusive agricultural growth that supports local food security. We understand the need for policy certainty in the agricultural sector and will work to address this as a matter of urgency. We will also avoid, wherever possible, putting productive land in the hands of the state.

In national government, the DA will:

- Ensure that new entrants (both land redistribution and restitution beneficiaries) who wish to establish themselves as commercial farmers receive *appropriate support* to navigate this complex landscape. This should include a greater emphasis on vertical integration, and specifically the need to establish value added production close to farms. This allows value to be added at little cost and can significantly increase the profitability of small farming enterprises.
- Provide the water, road and transport *infrastructure* needed for the sector to thrive.
- Invest in *training and education* for agriculture.
- Expand investment in *research and development* for agriculture.
- Keep rural communities and their property *safe*.
- Implement an effective *disaster risk management* system for agriculture.
- Manage *agricultural input costs* by reviewing the administrated costs that have a direct impact on the sector.
- *Implement the proposals of the National Development Plan* with regard to facilitating access for new entrants to key food markets in rural areas where the state is the main purchaser – including school feedings schemes and institutionalised catering such as hospitals, correctional services facilities and emergency food packages.
- *Ensure that productive land is transferred to beneficiaries who are ready and organised to manage it effectively and avoid situations where productive land is warehoused by the state.*

---

<sup>42</sup> Tregurtha & Vink, 2008.

<sup>43</sup> Tregurtha & Vink, 2008.

- Support the creation and duplication of *business models in agriculture* that can assist small-scale agriculturalists achieve scalability towards larger scale commercial operations.
- Provide *policy certainty* with regard to land reform through a firm commitment to the principle of ‘willing buyer-willing seller’ in the land reform process and re-affirming the right of land-owners to use the legal system to appeal compensation offered in cases where expropriation cannot be avoided.
- Continue pushing for changes to expropriation legislation to ensure that an expropriation authority cannot take ownership of land before compensation has been paid in full.
- Note: Further detail on the DA’s policy with regard to creating an enabling environment for agricultural growth is outlined in our Agriculture Policy document.

### 3.3. Using land reform models that work

The DA will promote the use of models for land redistribution and the management of land acquired through restitution that have proven to be successful or have the potential to establish successful commercial agriculture or improved livelihoods for the rural poor.

These include:

- *Joint ventures*: Partnerships between established and emerging farmers aimed at matching new farmers with access to land with skilled and experienced agri-business practitioners.
- *Co-operatives*: Collaborative relationships between farmers, inclusive of new entrants, that could help them to (i) share expensive capital equipment, (ii) pool skills, (iii) pool resources to establish marketing opportunities for their products, and (iv) boost their bargaining power in both procurement and marketing.
- *Contract farming*: Land reform beneficiaries can generate significant income from their land by allowing other farmers or firms to use their land on a contract basis.
- *Farm equity schemes*: These schemes allow the complex business models that modern commercial farming requires to be competitive to be maintained while diversifying ownership and promoting economic inclusion. Around 90% of equity schemes in the Western Cape are deemed to be successful.

The DA also supports the proposals in the National Development Plan around district-level land committees that can assist government in identifying land for reform, coordinate support to land reform beneficiaries, assist in the dissemination of information on land reform programmes and provide a forum to share success stories that can be duplicated.

### 3.4. Prioritising appropriate support

#### *Improve the quality of agricultural support services*

Quantitative land reform targets and the consequent pressure to transfer significant volumes of land meant that training and support to land reform beneficiaries have often been neglected.

The extent of land use, as well as output and income levels, has been shown across the world to be significantly raised by the use of agricultural development support, or agricultural extension services.<sup>44</sup> The primary objective of extension services is to develop the skills base of farmers<sup>45</sup>.

Since 1994, the scope of extension services in South Africa has broadened from providing technical and production support to relatively small numbers of large-scale commercial farmers, to broader support to small farmers in managing land reform projects, accessing financing and government support programmes, modernising production and marketing their produce<sup>46</sup>. Research shows that extension workers often lack the necessary qualifications to provide effective assistance and that investment is needed in the skills of extension workers<sup>47</sup>. A review of the status quo of extension services in South Africa found that only 19.8% of extension officers have a degree or higher qualification – which is the minimum qualification prescribed by the Department’s own norms and standards for extension services.

Despite significant investment in agricultural extension<sup>48</sup> and relatively favourable ratios of extension workers to farmers, the quality of extension services is considered to be poor.

In 2005, the National Department of Agriculture developed Norms and Standards for Extension which aimed to make extension more demand-driven (responsive to farmer needs) and relevant given agricultural realities. The focus of this programme is on small-scale, disadvantaged farmers. The Department is also working on a national extension policy which is expected to be finalised this year.

There is, however, a perceived disconnect between extension officers and the performance of the farmers they support<sup>49</sup>.

Inadequate state-sponsored support has meant that advisory services by fertiliser companies and agri-businesses now often provide the critical support to commercial farmers who are neglected by government extension services<sup>50</sup>. Whilst partnership approaches must be welcomed, over-reliance on corporate extension staff can create dependence on the products that they sell and promote<sup>51</sup>.

### *Tailor support to beneficiary needs*

Although national land reform policy formally recognises the need to support both commercially orientated and small-scale subsistence farmers, one of the key points of criticism against the

---

<sup>44</sup> Anderson, J.R. & Feder, G. 2004. 'Agricultural Extension: Good Intentions and Hard Realities', *The World Bank Research Observer*. 19(1).

<sup>45</sup> Tregurtha, & Vink, 2008.

<sup>46</sup> Tregurtha & Vink, 2008.

<sup>47</sup> Tregurtha & Vink, 2008.

<sup>48</sup> In 2012/13, provinces are expected to spend approximately R4.857 billion on farmer support, which includes funds for extension operations, food security and farmer settlement (Worth, 2012).

<sup>49</sup> In a review of extension services in 1998, the National Department of Agriculture identified this disconnect as one of five key problems impacting on the efficacy of extension services (Department of Agriculture, Forestry and Fisheries. 2012. *Extension in South Africa*. Available. [Online]:

<http://www.extensionpolicy.za.net/view.asp?ItemID=30&tname=tblComponent1&oname=News%20/%20Events&pg=exhibitions> [March 2013].)

<sup>50</sup> World Wildlife Fund. 2009. *Agriculture Facts and Trends: South Africa*. Online. [Available]: [http://awsassets.wwf.org.za/downloads/facts\\_brochure\\_mockup\\_04\\_b.pdf](http://awsassets.wwf.org.za/downloads/facts_brochure_mockup_04_b.pdf) (March 2013).

<sup>51</sup> World Wildlife Fund, 2009.

government's approach to reform has been its emphasis on commercial agriculture and the unsuitability of its support structures for small-scale farmers.

With around 70% of South Africa's poor living in rural areas, assistance to subsistence farmers is an essential component of poverty alleviation. Small-scale farming households typically rely on other sources of income (especially old age pensions and other grants) as their primary source of income and undertake farming only to supplement household food requirements.

This contrasts with large agricultural business units which generate agricultural output for resale in local and international markets.

Farming grants which require detailed business plans and substantial financial contributions from land recipients effectively excludes small farmers from support streams. Where beneficiaries on small-scale farming units were successful in improving their livelihoods it is often because they have either abandoned or amended project plans recommended by the Department of Rural Development and Land Affairs<sup>52</sup>.

In a 2008 study on Land Reform in South Africa, the CDE also found that there are significant regional and sectoral differences in the agricultural sector which renders a 'one size fits all' approach ineffective. Land reform policy development and implementation should be decentralised as much as possible to allow for tailor-made responses. The CDE also argues that markets and the private sector have greater capacity than the public sector to implement such decentralised programmes.<sup>53</sup>

#### *Reconsider the sequencing of training*

A serious deficiency in the current support system is that training for land reform beneficiaries only starts after land has already been transferred. This means that beneficiaries have to play catch-up while already being embroiled in the day to day challenges of farming activity.

The sequencing of beneficiary identification, land acquisition and training roll-out must be reconsidered so that beneficiaries can obtain the necessary skills or qualifications before they commence agricultural activities.

This approach is consistent with proposals in the National Development plan calling for ensuring "sustainable production on transferred land by making sure that human capabilities precede land transfer".

There is also scope to improve the linkages between the land redistribution programme and the investment in agricultural education and training – for example, by giving favourable consideration to potential beneficiaries who have completed agriculturally-focused skills training or educational programmes.

---

<sup>52</sup> Cousins, B. & Aliber, M. 2013. *Unworkable land reform project designs offer inappropriate farming models to rural dwellers*. Available. [Online]: <http://www.plaas.org.za/blog/unworkable-land-reform-project-designs-offer-inappropriate-farming-models-rural-dwellers> (March 2013).

<sup>53</sup> Centre for Development and Enterprise, 2008.



### *Involving key partners*

Private sector players are making significant contributions to land reform and empowerment through various mechanisms, including services to black emerging farmers, sector organisations that encourage black entrants to the market by supplying support services and by assisting emerging farmers in the processing and marketing of their products, initiatives by private companies to train emerging farmers in the use of their products, share transfers to farm workers and outgrower arrangements<sup>54</sup>.

In industries where significant empowerment has already taken place (such as the sugar industry, where 21% of land is under black ownership), there has been significant involvement by commercial players and the South African Sugar Association to establish and support emerging farmers.

Government has, however, been reluctant to bring non-governmental organisations, farmer's organisations and other private sector players into the land reform process.

The entities can play an important role in the identification of beneficiaries, training and support to emerging farmers and facilitating market access.

Innovative institutions, such as the partnership between the University of Stellenbosch, Standard Bank and PricewaterhouseCoopers to establish the *Standard Bank Centre for Agribusiness Leadership and Mentorship Development* shows how various societal spheres can co-operate to bring new farmers into the agricultural value chain.

The Green Paper on Land Reform proposes that an “integrated support system for State, civil society and private sector participation in social, cultural and economic development measures in rural settlements” is managed by the Land Rights Management Board. No detail is, however, provided on action steps that will be taken by this entity to ensure that emerging farmers are appropriately supported and capacitated.

To ensure that appropriate support is provided to different categories of land reform beneficiaries (of both redistribution and restitution programmes), the DA will:

- *Expedite the implementation of the national extension services turnaround plan* to increase the supply of appropriately qualified extension officers with the necessary resources to support small and large scale commercial farmers as well as initiatives to improve rural livelihoods through subsistence farming.
- *Conduct a survey of skills requirements for agriculture*, and tailor training programmes to the identified requirements.
- *Invest in the expansion of agricultural training*, including more agricultural schools, colleges and practical training programmes presented at community level. Consider offering preferential treatment for potential land reform beneficiaries who have completed agricultural training or educational programmes.

---

<sup>54</sup> Centre for Development and Enterprise, 2005.

- *Allow land reform beneficiaries to use the services of accredited private sector extension officers and claiming payment from the state, until such time as the quality and availability of extension services provided by the state has been improved.*
- Reserve a portion of *funding* for every project for *capital and infrastructure investment*.
- Reconsider the *sequencing of training to land reform beneficiaries* and, where possible, focus on capacitating beneficiaries before land is transferred.
- *Offer rebates on loans from public institutions* (such as the Land Bank) to farmers and agri-businesses participating in mentorship programmes.
- Recognise the value that *non-government stakeholders*, including organised agriculture and civil society organisations with an interest in land reform, can add in the land reform process and establish a platform for interaction with stakeholder representatives and for co-ordinating their inputs.
- *Support* business models that nurture and develop embedded technical expertise, knowledge and entrepreneurship.
- *Improve beneficiary selection* to ensure that land reform beneficiaries have a real interest in land ownership and have the intention to make/ keep transferred land productive.

### 3.5. Establishing an institutional framework for successful land reform

#### *A turn-around strategy for the Department of Land Reform*

In its analysis of the slow progress of land reform, the default position of the Department of Rural Development and Land Reform has been to attribute blame. Commercial agriculture is blamed for a perceived resistance to agricultural transformation. The unaffordability of the reform programme is attributed to what is seen as the artificial inflation of land prices in an environment where the willing buyer-willing seller principle is applied.

The Green Paper on Land Reform recognises the “poor capacity of organs of State to implement” as one of the main challenges to the land reform programme, but does not provide a strategy for addressing the weaknesses in the Department of Rural Development and Land Reform.

Weaknesses in the department are evidenced by the following:

- Successive qualified audit reports by the Auditor-General.
- Its failure to complete a full audit of private land ownership and the consequent lack of information on the actual state of land ownership in South Africa<sup>55</sup>.
- Financial irregularities and corruption in the Department, that prompted an investigation by the Special Investigating Unit (SIU) which recently revealed (among other things)<sup>56</sup>:
  - illegal land grants to the value of at least R96.6 million;
  - inflated beneficiary numbers;
  - 636 examples of non-existent or false beneficiaries;
  - forgery of valuation documents;
  - officials’ family members listed as beneficiaries.

<sup>55</sup> A basic audit of state land was done in 2013, but most analysts question the level of detail and accuracy of the audit.

<sup>56</sup> Special Investigating Unit. 2013. *Special Investigating Unit Annual Report: 2012/13*. Available. [Online]: <http://www.siu.org.za/sites/default/files/documents/SIU%20Contents%20annual%20report%20sml.pdf> (November 2013).

- Massive claims against the department resulting from legal proceedings.
- Persistently high levels of irregular and fruitless and wasteful expenditure (amounting to R83.4 million in the 2011/12 financial year).
- In 2011/12, the Department achieved only 55% of its targeted programme outputs.
- According to the 2011/12 Annual Report, the department had an 11.5% vacancy rate – with 627 posts not filled.

These failures of the Department impact on the success of all pillars of land reform – including tenure security, redistribution and restitution.

A turn-around strategy for the Department has to form part of any meaningful strategy on how land reform will be managed.

In national government, the DA will:

- Conduct a full audit of *capacity and skills shortages in national and provincial departments of Agriculture, Rural Development and Land Reform*.
- Urgently *fill vacancies* in the Department of Rural Development and Land Reform with skilled professionals with a passion for rural development and improving the pipeline of appropriately skilled employees by investing in agricultural training.
- Improve *inter-departmental integration* to improve service delivery to established and emerging farmers, for example: telecommunications access, transport infrastructure and access to small business development programmes.
- Set up a *dedicated national budget* for the provision of infrastructure and services in land reform areas.
- Use *private sector assistance in identifying and acquiring land* and, where possible, limiting the role of the Department to specifying land requirements and regulating acquisition efforts. The state would still play a role in identifying smaller parcels of land to meet the needs of beneficiaries who want to supplement their incomes through small-scale farming.
- *Simplify requirements around the sub-division of agricultural land* to accommodate small-scale farmers without compromising commercial food production.
- Make effective use of *technology* in managing land restitution claims and land redistribution transactions in an integrated manner, with key information being made accessible to those involved in specific transactions.
- *Identify the high value inputs that government can make and develop the capacity within the department to make such inputs.*

#### *Secure funding to speed up land reform*

The targets set for land reform is not achievable given the money available. Funding pressures are likely to increase as government is forced to allocate significant resources to the recapitalisation of projects.

Over the last five years, the budget allocation to the land reform and land restitution programmes totalled R28.53 billion. Over this period, an average of R2.9 billion and R2.8 billion was annually spent on the restitution and reform programmes respectively.

These budgets have not been sufficient to achieve the targets set for the reform programme and have contributed to increased pressure as the land reform programme failed to meet expectations.

In national government, the DA will:

- Significantly *increase the budgets* allocated to land reform. A DA government would commit an additional R10 billion to land reform over the next five years with a specific emphasis on the creation of more effective structures for post-settlement support for both restitution and redistribution beneficiaries.
- Make a portion of the land reform budget available as *funding to qualifying redistribution beneficiaries to engage in private land transactions*. This can be managed by offering state-sponsored loans at very low interest (e.g. 0.5%), with beneficiaries repaying these loans to the state over a 30 year period. This approach does not raise the risk for government, as it will have the land as security.
- Establish a *dedicated fund to support Farm Equity Schemes* (FES) in which commercial farmers sell stakes in their farms to farm workers, either on an individual basis or to farm worker trusts.
- *Acquire farms as going concerns* and ensure that beneficiaries are appropriately skilled and equipped when farms are taken over, to prevent the drain on available resources presented through perpetual cycles of recapitalisation.
- *Investigate incentives and institutional arrangements to attract investment* in land reform initiatives and facilitate the voluntary participation of commercial farmers in farm equity schemes

#### *Making available the necessary information for sound decisions on land reform*

The redistribution and restitution programmes have been compromised by insufficient information about beneficiaries and their requirements as well as a failure to evaluate the success of various approaches.

The Department of Rural Development and Land Reform is yet to complete a full audit of land ownership in South Africa.

The Department also does not have updated information on the socio-economic profiles of land reform beneficiaries, the impact of land reform on their livelihoods and the fate of projects once land has been transferred.

This information vacuum makes monitoring and evaluation of reform programmes difficult and decisions on land reform often have to be taken based on out-dated information.

The failure by the then Department of Land Affairs to communicate information on reform and restitution processes to potential beneficiaries has also raised concerns that individuals and communities with a strong interest in agriculture are not aware of the process, the available support and the initial 1998 deadline for the submission of restitution claims.

Improving the collection of data and the dissemination of information to potential beneficiaries must become a central priority for land reform.

To ensure that land reform decisions are based on sound information and research, the DA will:

- Complete the *national audit of land ownership* to develop a detailed picture of private and public land ownership. Data should be disaggregated to provincial and regional levels and give information on the racial distribution of land ownership.
- Develop detailed *information systems to monitor the progress of land reform projects* to allow for timeous intervention in problem areas and the identification of good models.
- Investing in *agricultural research organisations* such as the Agricultural Research Council and Onderstepoort and improve the link between agricultural extension services and research.
- Set up a *national databank of land* that has been purchased by the state and is available for reform.
- *Set up a register where land owners can list their land as being available* for sale to government for reform purposes and using this register as a starting point for identifying land for reform.
- *Improve communication around the programmes of the Department of Rural Development and Land Reform* through appropriate media and platforms (including direct interaction with rural communities) and mobilise civil society and private sector organisations to assist in the dissemination of information. Programmes should also seek to regain the integrity of the department and improve its reputation.
- *Improve access to business-, technical- and entrepreneurial knowledge* and expertise by linking up with research institutions, entrepreneurial associations and business support mechanisms

### *Eliminating uncertainty*

The uncertainty prevailing in rural economies, where the ownership of key assets can be considered to be vulnerable, discourages investment in agricultural activity<sup>57</sup>. In a speech to the African Farmers Association of South Africa in October 2012, President Jacob Zuma admitted that uncertainty around land reform has resulted in a decreased number of commercial farmers and a decrease in production levels that necessitated increased imports and ultimately caused food prices to rise<sup>58</sup>.

South Africa's retail banks are reportedly no longer willing to accept land as primary collateral in all cases and are demanding pipeline surety from agribusiness owners<sup>59</sup>. This puts financing out of reach for smaller land and business owners who do not have the scale to secure pipeline agreements prior to their harvest.

The Green Paper on Land Reform did not clarify the state's position on the constitutional provisions in support of the principle of willing buyer-willing seller that protect asset owners from financially unjust transactions or expropriation.

In speeches in the National Assembly in February 2013 both President Jacob Zuma and the Minister of Rural Development and Land Reform, Gugile Nkwinti, referred to the substitution of the willing buyer-willing seller principle with one of "just and equitable" compensation – a concept agreed upon

---

<sup>57</sup> Centre for Development and Enterprise. 2008. *Land Reform in South Africa: Getting back on track*. Johannesburg: Centre for Development and Enterprise.

<sup>58</sup> The Presidency. 2012. *President Zuma outlines agricultural land reform plan*. Available. [Online]: <http://www.sabinetlaw.co.za/agriculture-forests-and-fisheries/articles/president-zuma-outlines-agricultural-land-reform-plan> (March 2013).

<sup>59</sup> Lund, 2012.

at the ANC's Policy Conference in June 2012. According to Agriculture Minister Tina Joemat-Pettersson, and as described in the gazetted Property Valuation Bill, just and equitable compensation will be determined by the proposed Office of the Valuer-General.

Following the ANC's Policy Conference in 2012, there was also increased emphasis on the ANC's "impatience" with the fact that expropriation has not been more effectively used as a mechanism to speed up land reform<sup>60</sup>. With changes to the Expropriation Act still being discussed in parliament, there is much cause for uncertainty around how this Act will be used

Private sellers are also exposed to unacceptable levels of uncertainty when selling land to the state. The PLAS programme has curbed the delays initially experienced because the state could not make a final offer on land before beneficiaries had been approved. Long delays in transactions with the state does, however, cause sellers of land in high-demand areas to withdraw. The result is that the state becomes the buyer of last resort and often acquires land that is unattractive to other buyers.

The proposed re-opening of land restitution claims (after the initially agreed 1998 deadline) and the suggested exceptions to the 1913 cut-off date for restitution claims have introduced further uncertainty around land ownership making land-owners wary of investing in capital expansion with long term pay-offs.

The DA supports the reopening of restitution claims on the basis that justice should not be denied as a result of poor communication and processes on the part of the state prior to the 1998 deadline. We do, however, preface this support on the condition that an integrated database of claims submitted before 1998 must be developed and that individuals and communities must not be allowed to re-submit claims that have previously been found to be invalid. Restitution claims should also not be re-opened until such time as the Department of Rural Development and Land Reform has developed the capacity to manage these claims effectively.

We maintain that the 1913 cut-off for restitution claims is a constitutionally agreed date based on the historical marker of the 1913 Land Act and that this should not be changed without reasonable grounds. The DA is open to continuing the conversation with regard to the land rights of Khoi and San people, but contends that too many questions remain unanswered to allow an exception to the 1913 cut-off date for this group at this time. Unanswered questions include: (i) on what basis the exception will be made if the Khoi and San are not formally recognised as "first peoples" of South Africa, (ii) how heritage/ lineage will be established, and (iii) what historical marker(s) will replace the 1913 cut-off. The DA proposes that the land needs of Khoi and San people are addressed through alternative mechanisms – for example: that land ownership for these groups should be prioritised in land reform programmes.

To curb uncertainty around land reform, a national DA government would:

- Take immediate steps to clarify the targets of the land reform programme and the principles of the approach to reform.
- Remain committed to the principle of willing buyer-willing seller.

---

<sup>60</sup> Tolsi, N. 2012. 'ANC introduces new policy on land redistribution', in *Mail & Guardian*. Available. [Online]: <http://mg.co.za/article/2012-06-30-anc-introduces-its-new-policy-on-land-reform> (March 2013).

- Ensure that courts remain the final arbiter in land disputes, including verifying ownership and determining fair compensation (this implies a rejection of the establishment of a Valuer- General to determine compensation in restitution and expropriation cases).
- Limit the use of expropriation to restitution initiatives and use expropriation only as a last resort.
- Clarify the definition of the “public purpose” in terms of which expropriation can be used as a tool in land reform.
- Commit the Department of Rural Development and Land Reform to specified turnaround times on land transactions.

## Conclusion

Our approach to land reform seeks to promote redress and address real land pressures whilst creating an enabling environment for rural economic growth and maintaining food security.

The proposals outlined above cover the three basic pillars of land reform, including tenure security, redistribution and restitution and makes both specific and cross-cutting proposals to improve the effectiveness of these programmes.

Our approach to land reform is distinctive in:

- the intention to treat land reform as an opportunity for livelihood promotion, rather than a political problem that must be solved;
- its recognition of and focus on urban land pressures;
- the strong focus of improving tenure security in communal land areas;
- the decision to measure success by considering improvements in rural livelihoods and the number of successful agri-businesses established;
- the emphasis on the need to maintain food security and the fact that the government has a responsibility to create an enabling environment for rural economic growth;
- its promotion of the use of models that have proven to be successful – such as the farm equity schemes used as a model for land redistribution in the Western Cape;
- its recognition of the failures of the department in delaying effective reform and the proposals to address it;
- the proposals to improve the information on which land reform decisions are based – including the urgent completion of a national land audit; and
- the commitment to bringing certainty around property rights and the national objectives around land reform.

A vibrant, inclusive rural economy can contribute to economic growth, create jobs and help to alleviate poverty in South Africa. It speaks to the essence of the DA’s vision of an Open Opportunity Society and will remain a key priority of all DA governments.