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Abstract

Land reform is a crucial component of South Africa's economic strategy if it is to remedy past injustices and realise a future of inclusive economic growth and social stability. This paper provides a comprehensive study of the Land Reform Policy of South Africa, starting with an exploration of the historical and socio-economic context. In particular, we discuss the three pillars of land reform and the progression of the laws that led to the Land Reform Policy that exists today. We discuss the aspects of the policy's effectiveness, drawing on the strengths and weaknesses of the policy, as well as the unintended consequences that have arisen. We propose alternative solutions and improvements for the policy, deduced from the analysis of several case studies and insights from other countries. Opposing views are also put forward, providing a well-rounded argument and allowing for the different perspectives of all stakeholders to be considered in the study. We find that the Policy has the potential to be extremely effective if those in power will take heed of the recommendations and improvements that may be vital in propelling the Policy to reach its targets.

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1. Introduction

Land reform is a multifaceted social challenge, and as such it has been an important policy issue in South Africa since the end of Apartheid in 1994. Apartheid created a legacy of racial inequality in land ownership, with most of the land still owned by white South Africans. The Land Audit Report (2017)

reveals that of the 181 532 individuals who own all farms and holdings in South Africa, only 22% are African. This is a staggering number considering that Blacks make up a majority of the country's population.

Land reform is comprised of three pillars, namely land restitution, redistribution, and tenure reform. The goals of these policies are to correct

the historical wrongs committed against black South Africans, improve agricultural production, and reduce inequalities still prevalent in the country. However, these policies have faced several challenges in terms of implementation, and these can be attributed to a lack of funding, corruption, lack of administrative capacity, disputes around the definition of correct compensation, limited coverage and competing demands for land from different social groups.

Recently there has been a debate over expropriation without compensation. The ruling party, the African National Congress (ANC), argues that expropriation without compensation is important to ensure that land is distributed fairly. The ANC claims that the existing system of "willing buyer, willing seller" land reform is failing because white farmers are not willing to sell their land, or they demand excessively high prices for their land (Amoah & Tyekela, 2021). This programme has received a lot of criticism from white farmers, including international companies, who argue that this programme might worsen the economic crisis.

This report aims to provide a critical assessment of land reform in South Africa by giving the context of these policies, including the historical and political factors that have shaped the policy landscape. It will also assess the effectiveness of policies in achieving their goals, including the strengths, weaknesses, and unintended consequences. Additionally, we will explore how the policies can be improved as well as alternative solutions. We will also consider the feasibility of recommended improvements and alternative solutions. Finally, we will address opposing views on land reform in South Africa, including concerns about property rights, mismanagement, and corruption.

As the late President Nelson Mandela (1994) said at the opening of the Congress of the South African Agricultural Union, "The need for corrective measures to deal with the consequences of past injustices

is overwhelming but it is equally important that new injustices are not created, or production capacity disrupted." Considering this, we hope that our analysis will contribute to informed policymaking and promote greater social justice and economic development in South Africa.

2. The Historical and Socio-Economic Context of Land Reform

In analysing and evaluating the goals and effectiveness of the Land Reform Policy in South Africa, this section first seeks to explain the specifics of the policy. As such we will be exploring the context in which land reform is being implemented as a way to rectify the injustices of Apartheid as well as the current social, political and economic inequalities in the country. This section then delves into some of the consequences of the Land Reform Policy and how various groups in society may be affected. Lastly, we will analyse the sustainability of the policy given its controversial nature and how the long-term implementation of this land reform will affect society and the economy.

2.1 What is Land Reform Exactly?

Land reform is an extremely controversial topic in South Africa. As a result, there is a lot of misinformation and hyperbole spread by the media and various political factions. In this section, we aim to clarify any confusion and explain exactly what the Land Reform Policy is in terms of South African law. First and foremost, land reform is not a single policy with a single set of goals but rather consists of a series of policies and supporting amendments with various aims. There are three key pillars to land reform. That is restitution, redistribution and tenure reform (South African Government, n.d.). In simple terms, restitution refers to a situation where victims can show documentary evidence that they were wrongly evicted from their lands under apartheid laws (Mpofu-Walsh, 2021). Restitution aims to rectify the injustices brought on by Apartheid. This pillar of the policy has an important social role in South Africa as it helps to uplift disadvantaged families who suffered under Apartheid. The legal basis for land restitution was first formally established in the interim 1993 Constitution (South African History Online [SAHO], 2019). In 1995, a Land Claims Commission and a Land Claims Court were established to facilitate land restitution claims (SAHO, 2019). Under the Restitution of Lands Act 22, victims must meet certain criteria and are then entitled to either the restitution of their property or fair compensation (SAHO, 2019). The next pillar of land reform is redistribution. Redistribution is focused on reallocating land ownership so that land is more fairly distributed among various racial groups. Originally the government would purchase land and then redistribute it to impoverished or marginalised groups. The cornerstone of this policy was "the willingbuyer, willing-seller model" (SAHO, 2019). The government always emphasised that it would not expropriate land, to ensure investor confidence in the land market post-1994 (The Mail & Guardian, 2006). However, in 2006 the ANC announced that it would start expropriating land to be redistributed. South Africa's Chief Land Claims Commissioner stated that owners would be compensated but that "the willing-buyer, willing-seller model would no longer apply" (The Mail & Guardian, 2006).

In 2018 a draft bill on expropriation without compensation was published for comment and this has sparked intense debate throughout the country (Department of Government Communication and Information System [GCIS], 2019). This bill passed in the National Assembly in 2022 and is now open for public comment (BusinessTech, 2023). Finally, as part of the land redistribution policy, the government aims to provide beneficiaries with some support for example through financing, training and provision of equipment (South African Government, n.d.). The last pillar of land reform is tenure reform. Land tenure reform is based on a systematic government programme to transform the legal and institutional framework for land administration (South African Government, n.d.). The aim is that structural changes be made to give land occupants and tenants ownership rights (Ntsebeza, 1999). In South Africa, this refers mainly to rural areas where land is government-owned but is operated and run mainly by tribal chiefs who allocate land amongst the people (Ntsebeza, 1999). The main goal of tenure reform is to institute co-ownership rights for communities living in rural areas, especially in the former Bantustans (Ntsebeza, 1999). These 'tribal' areas are still government owned so the idea behind tenure reform is to register these rights in the national Deeds of Registry to formalise and guarantee the rights of rural tenants (Ntsebeza, 1999).

2.2 Why is Land Reform So Crucial?

In South Africa, the necessity for comprehensive and ambitious land reform policies cannot be overstated. During Apartheid the National Party implemented a series of policies to systematically remove Blacks and other racial groups from their ancestral land.

The roadmap of discriminatory laws towards the formulation of the Land Reform Act of 1996 begins with an unjust policy known as the Squatters Act of 1887, where black families over five living on a single farm were considered squatters (Lethiwe, 2023). As a result, the government would then remove these 'squatters' to the benefit of white farm owners. The Natives Land Act of 1913 emphatically ensured that Blacks, who were the majority population, were restricted from owning or renting up to 93% of land in the country. Moreover, according to the Land Audit Report, Blacks were forced to live

in overcrowded townships and held a disproportionate percentage of land ownership of only 7% (Department of Rural Development and Land Reform [DRDLR], 2017). That percentage reflects not only black ownership but all other racial groups considered "non-white". The most brutal provocation was the Group Areas Act of 1950 which pushed Africans further away from cities and required them to carry identification paperwork, formally known as the Dompas when entering the city (SAHO, 2019). The National Party then enacted the Prevention of Illegal Squatting Act of 1951. This allowed the National Party to demolish any building that was constructed without official paperwork (Lethiwe, 2023). Ultimately giving the government permission to destroy the homes of Blacks at will. The Bantu Laws Amendment Act of 1964 then legalised the exclusion of Africans from urban areas (South African Government, n.d.).

It is clear that the injustices of the past still prevail today and that land reform is cardinal in rectifying these injustices. Much of South Africa is geographically racially segregated with many Blacks still living on the outskirts of cities, for example in townships. This leads to high transportation costs as they must commute into urban areas for work. Land does not only have an economic value but a social value as well. Thus, it is not merely an economic imperative that land ownership be reformed but a social and moral imperative as well. Almost 30 years after the first democratic elections in South Africa and many of the problems and inequalities created during Apartheid remain. Today, white people still own 72% of farm and agricultural land, and a mere 4% is black-owned (Mamdani, 2019). Fynn and Van Schalkwyk (2022) explain how the 2017 Land Audit Report revealed the prevalence of not only racial inequality but gender inequality as well. That is, only 18% of private land is in female ownership. This figure drops to 13% when farm and agricultural holdings are considered.

South Africa cannot avoid the issue of land reform. This highly controversial issue has ignited tensions between groups on both sides of the political spectrum. Far-left parties such as the Economic Freedom Fighters (EFF) have been calling for the nationalisation of all rural land without reimbursement. Opposing such reforms are white farm owners who are fearful of what land reform will mean for them and their livelihoods (Mamdani, 2019). The government faces a tremendous challenge in trying to balance the interests of these conflicting groups. The country must address the historical injustices of the past and the issue of rampant inequality not only for the sake of economic growth but as a moral and social obligation.

2.3 What Does Land Reform Look Like in the Long Term?

This report will later explore the future of land reform in greater depth based on our findings and recommendations to improve the Land Reform Policy Framework. For now, land reform will remain a subject of contention in the country. President Cyril Ramaphosa has expressed his awareness of the country's challenges, emphasising that the nation "can no longer abide by the grave disparities of wealth and opportunity that have defined our past and which threaten to imperil our future" (Mamdani, 2019). Thus, land reform must continue to ensure economic growth and greater equality for all South Africans.

3. An Evaluation of the Policy's Effectiveness

The effectiveness of the Land Reform Policy in South Africa is a matter of debate, and as such the opinions on its success vary. Although, if we confront the facts it is evident that whilst the policy has made some progress in addressing the injustices of the past, many downfalls undermine the overall effectiveness of the policy's implementation.

3.1 Strengths of the Policy

One major highlight of the policy is its aim to reduce the inequalities of the past by addressing the historical imbalances in land ownership that were brought about by the Apartheid laws mentioned in Section 2.2. The policy's goal is fostered through the promotion of economic growth, the empowerment of marginalised groups and the strengthening of democracy, albeit through meagre improvements.

Through the process of allowing more people to have the opportunity to own land, and farm that land, the policy has promoted entrepreneurship and economic growth, as these emerging farmers "contribute notably to the agricultural sector" and are "key drivers" of job creation, according to the Department of Agriculture, Forestry and Fisheries (DAFF, 2021). The 'empowerment of marginalised groups' goal is measured by the increase in the percentage of black landowners (individual sectional title owners) at 17% which is up from 7% since the creation of the Natives Land Act of 1913 (Department of Rural Development and Land Reform [DRDLR], 2017). There is also a strengthening of feedback seen in the high political participation index value at 8.33 (EIU, 2022), indicating that stakeholders have been

given the mechanisms to express their opinions. This is crucial since there is little data available on the matter (see Section 4.1 for discussion).

3.2 Weaknesses of the Policy

One of the key criticisms of the Land Reform Policy includes its slow progress as some redistribution goals have only been partially met several years after their targeted timelines. At the time of the creation of the targets in 1994, the ruling party had set ambitious targets and had only succeeded in redistributing less than 8% of land in almost three decades - a far cry from the goal to transfer 30% of land in two decades (Department of Rural Development and Land Reform [DRDLR], 2017). Lengthy delays in the allocation of land and a lack of support for new landowners lead to

administrative inefficiencies. This contributes to slow progress and has resulted in the government being constrained by these burdens (South African Human Rights Commission [SAHRC], 2018).

The policy has fallen prey to limited effectiveness due to factors such as the lack of funding (Lahiff & Li, 2012), lack of political will and de-prioritisation in promoting its agenda, as several politicians have been disinclined to back the policy over reservations concerning the subsequent effects on property rights (Cousins, 2016). This leads to other noteworthy issues including corruption and the mismanagement of the funds earmarked for the policy. Some argue that the policy has created a small, enriched group of people, rather than creating lasting benefits on a larger scale (Levy, 2020). When the state purchases land, the allocated budget is spent and land is acquired, but this does not mean that it is then redistributed or that land rights are changing hands. The state is engaging in an interventionist role by purchasing land itself, although it is not "challenging the supremacy of private property", but instead just becoming a serious contender in the land market, says Hall and Kepe (2017, p. 8). Table 1 in the Appendix shows that the government's medium-term expenditure estimates for Land Redistribution and Tenure Reform over the next three fiscal years are declining since there is an average growth of -3.1%. We also observe a decrease in average expenditure, of the total expenditure on the programme, from 10.7% (2018/19-2021/22) to 9.5% (2021/22-2024/25). This reiterates the point that the policy is being deprioritised by the government and that it is, therefore, lacking in its effectiveness.

3.3 What Threatens Land Reform's Effectiveness?

Food security is a significant threat that emanates from the policy's lack of support for new landowners. This issue arises when redistributed land has been left fallow or is being used for non-productive purposes. The government admitted that 90% of farms acquired for the purpose of land reform are currently unused or unproductive, which is equivalent to around 4000 farms across the country (Grain SA Communications, 2018). The limited access to financing, and deteriorating and unmaintained infrastructure all contribute to this lack of support and the eventual food insecurity, evident from the fact that a mere fraction of 250 000 small-scale farmers produce surplus food (after that produced for household consumption) of a total of 2.5 million in South Africa (Levy, 2020).



According to the survey we conducted with our colleagues' regarding their opinions on land reform (see <u>Appendix</u> for complete results), 56% of respondents believe that the current land reform policies have only been somewhat effective. Furthermore, 39% believe that has not been effective at all, and only 5% believe that it has been effective in accomplishing its goals.

Overall, the aforementioned survey lends itself to the perspective that the policy has not been entirely effective and that the negatives outweigh the positives, which may incite major concern in policymakers. However, in the long term "land reform is an important process and not an event" and so these weaknesses should be and can be improved upon, to the benefit of our country and its people (Department of Agriculture, Land Reform and Rural Development [DALRRD], 2019).

3.4 Unintended Consequences

This section explores some of the unintended consequences that have resulted from the current Land Reform Policy Framework.

1. The Rise of a New Class of Wealthy Black Landowners

The Land Reform Policy in South Africa has led to the emergence of a new class of wealthy black landowners. Through land redistribution or land restitution processes, these individuals have acquired large tracts of land, sometimes leading to a concentration of land ownership by a select few wealthy individuals. This phenomenon has raised concerns about potential inequalities within the black community itself. Some individuals or groups may be more successful in acquiring land than others as not all black farmers have equal access to resources, markets or support services, leading to the

concentration of land and wealth in the hands of a few, while leaving others marginalised (Lahiff, 2007).

2. The Exacerbation of Existing Inequalities Particularly in Rural Areas

In rural areas of South Africa, land ownership is closely linked to economic opportunities, including agricultural production and access to natural resources. The land reform framework has resulted in exacerbating existing inequalities, as wealthier individuals or politically connected interest groups may have greater access to resources, support and opportunities for land acquisition, compared to vulnerable or marginalised communities. This can further entrench existing disparities and perpetuate inequality in rural areas, women, the youth and indigenous communities, who face additional barriers in accessing and utilising land resources for their livelihoods, leading to potential social tensions and conflicts (Cousins, 2016).

3. The Creation of a Power Imbalance with Wealthy Landowners

The concentration of land in the hands of a few wealthy landowners can lead to a power imbalance, as these landowners may have a disproportionate say in decision-making processes that affect the use of land in their communities. This can impact the ability of local communities, especially marginalised groups, to participate in decision-making regarding land use, land management and natural resource governance. Vulnerable populations may be further marginalised by limiting their access to land and resources as well as perpetuating existing inequalities (Lahiff, 2007).

4. The Use of Land as Power

Opportunities have been created for politically connected interest groups to benefit at the expense of the general public. The allocation of land, particularly prime agricultural land may be influenced by political considerations, resulting in some individuals or groups gaining land rights based on their political affiliations or connections rather than on the basis of need or equitable distribution. This can involve manipulation of the land reform process, such as corruption, patronage, and nepotism, where well-connected individuals or groups can acquire land or access resources through unfair means. Consequently, there may be a concentration of land and resources in the hands of a few, undermining the equitable distribution of land and perpetuating social inequalities (Bourblanc & Anseeuw, 2019).

5. Disruptions in Local Economies and Food Systems

The unintended consequences of the Land Reform Framework can also disrupt local economies and food systems. In some cases, land that was previously used for agricultural production may be

converted for other purposes, such as commercial development or mining, leading to the loss of local food production and economic opportunities. This can impact local food security, livelihoods, and traditional land uses, leading to social and economic disruptions in affected communities (Mabiletsa et al., 2020).

6. Gender Disparities in Land Reform Outcomes

Gender disparities persist in land reform outcomes in South Africa. Women, especially those from marginalised groups, face additional challenges in accessing and benefiting from land reform initiatives. Patriarchal norms, discriminatory customary practices, and lack of gender-responsive policies and implementation have resulted in women facing barriers to accessing land, participating in decision-making processes, and enjoying secure tenure. This has led to gender disparities in land ownership, control, and benefits, with women often being marginalised and disadvantaged in the land reform process. Addressing gender disparities in land reform outcomes is critical for achieving gender equality, social justice, and sustainable development (Mabiletsa et al., 2020).

7. Environmental Impacts and Sustainability Concerns

Land that is allocated or redistributed may be subject to different land uses, such as agricultural production, grazing, or conservation. Improper land use practices or lack of proper land management can result in environmental degradation, loss of biodiversity, soil erosion, and other negative impacts on ecosystems. This can affect the long-term sustainability of land-based livelihoods and compromise the intended outcomes of land reform (Clements, et al., 2021).

In conclusion, the land reform program in South Africa has faced several challenges that have impacted its effectiveness and sustainability. These challenges include historical land inequalities, competing interests and demands for land, inadequate post-settlement support, economic challenges and sustainability concerns, uncertain tenure and property rights, gender disparities in land reform outcomes, limited access to support services and infrastructure, as well as political and governance challenges. Addressing these challenges requires a multifaceted approach that considers social, economic, political, and governance dimensions, and prioritises the needs and rights of land reform beneficiaries. By overcoming these challenges, land reform can contribute to equitable land redistribution, social justice, and sustainable development in the country. It is important to note that the unintended consequences of the Land Reform Framework in South Africa are complex and multidimensional and the extent and nature of these consequences may vary depending on various factors such as the specific policies, implementation mechanisms, and local contexts. It is crucial for

policymakers and stakeholders to carefully monitor and address these unintended consequences to ensure that the Land Reform Framework achieves its intended goals of addressing historical land injustices and promoting sustainable land redistribution in South Africa.

4. Alternative Solutions

The South African government has put in place several land reform policies since 1997 but, as we mentioned in Section 3, the effectiveness of these policies is debatable. In this section we will explore improving policy implementation with the Land Reform and Agricultural Development Agency, collecting national statistics to track land productivity, the importance of urban land reform, providing education and training to land reform beneficiaries, and enhancing market access, as well as the feasibility and effectiveness of these solutions.

Algeria, Tanzania and Zimbabwe are prime examples of land reform failures in Africa (refer to <u>Case Study 1</u> in Appendix). According to Gumede (2019a), these three countries are now suffering from food insecurity as a result of collapsed agriculture industries. To avoid the same fate, South Africa must consider alternative solutions and learn from the failures of these countries.

4.1 Land Reform & Agricultural Development Agency

President Cyril Ramaphosa (2021) announced that the Land Reform and Agricultural Development Agency will be established soon to improve the implementation of land reform policies. The Agency intends to facilitate the private process by providing support for land reform beneficiaries and farmers, as well as increasing agricultural productivity in the country.

Sihlobo and Kirsten (2021) propose a model through which the Agency can revive the country's land reform programme. The government would only be responsible for facilitating an auspicious environment, so that the landowners, agribusinesses and large corporations can negotiate privately. Firstly, the model would make sure that beneficiaries are set up for success, since the opposite has been the reality in the past. Secondly, the commercial farmers who profited from historical injustices would get a chance – in a non-politicised environment and without excessive bureaucracy – to make a significant contribution to land reform. This would involve local farmers, communities, and private sector role players making decisions for their community within a framework overseen by the Agency. Local District Land and Agricultural Development committees (as coined by Sihlobo and Kirsten) would be established. Each committee would have ten voting members, all of them experienced

farmers – with a 50/50 split of black and white members. The committee would register as a non-profit company that will consult with stakeholders in the community. The Agency would produce progress reports and ensure politicians do not interfere with land redistribution.

Community participation is essential for land reform and also ensures that the people involved in the process understand the mechanisms of the policy and get a sense of ownership. These measures aim to introduce independent oversight and reduce the opportunities for political rent-seeking, cronyism and corruption. Corruption has been a big problem during the implementation of land reform policies in South Africa. Besides taking the issue of land reform away from political and bureaucratic control, there needs to be political accountability. To address this, we recommend that the government enforce strict measures to prevent corruption, such as improving transparency, introducing independent oversight, and punishing corrupt officials.

4.2. National Statistics on Land Productivity

Improving land reform in South Africa also requires the collection of more data on farm productivity. (Cousins, 2015) writes that there are no national statistics to track levels of farm production by land reform beneficiaries and that even some South African ministerial statements quote figures that are not based on published statistics. This lack of accurate data on land usage and productivity complicates the assessment of the effectiveness of land reform policies, thus hindering the government from adjusting its approach accordingly if necessary. In addition, farmers could also use the data for informed decision-making about their farming practices, which could help increase productivity and profitability. Therefore, we recommend that data on land usage and productivity be easily accessible. Currently, case studies are the main source of this type of information.

4.3 Urban Land Reform

Informal settlements and urbanisation are becoming increasingly popular. As a result, land reform's focus on mainly rural areas needs to be reconsidered to avoid overlooking key needs and opportunities (Cousins, 2016). Attempts by the state to restructure society to address the repercussions of colonial and apartheid-era planning have not been significant, resulting in a shortage of well-located land for affordable housing (Ndifuna Ukwazi, n.d.). Gumede (2019b) writes that the success of land reform policies hinges on the provision of mass housing in urban areas. Urban land reform could include providing underutilised land – such as unused military land and some golf courses on municipal land that are paying little in rent (Kumar, 2023; Davis, 2020) – to build affordable housing. Measures also

include supporting small-scale urban farmers to sustain communities. We cannot have successful land reform when urban inequality is deepening, therefore, we recommend that resources are dedicated to previously disadvantaged people within urban populations as well. It is also important to make sure if someone is given farmland, they are not restricted to living on their farm as some would opt to live in the city pursuing non-farming related opportunities. Farms can be rented out and have labour tenants. This ensures property rights are respected.

4.4 Finance and Education

Two of the most basic solutions that can be employed to increase agricultural productivity – and thus boost economic growth – are financial assistance and agricultural education and training. Not all land reform beneficiaries have the necessary management skills required to use their land to its maximum production capacity. Agricultural education and training can equip black farmers with the skills needed to be more efficient and produce more diversified products that could allow them to become locally and/or globally competitive. Teaching adults the relevant skills and providing quality education for their children would be the greatest form of empowerment (Gumede, 2019b). Beneficiaries should not merely be taught how to work the land but also how to make the land work for them. We propose that the government should provide training programs focused on agribusiness, land management, and environmental sustainability. Women, especially, should be targeted considering the increasing gender inequality within land reform (refer to Section 3.4, Point 6).

Land reform beneficiaries often lack access to financial resources, making it difficult for them to develop their land productively. Minister Thoko Didiza has launched a finance scheme worth R3.2 billion with Land Bank to help beneficiaries (Department of Agriculture, Land Reform and Rural Development [DALRRD], 2022). Despite these efforts and lending institutions claiming to help land reform beneficiaries, there are many stories of redistributed farms failing due to a lack of access to finance. Gumede (quoted by Mathe, 2020) states that farmers with collateral are usually the ones who receive financial assistance. The Micro-Agricultural Financial Institution of South Africa (Mafisa) was set up to help emerging farmers who do not have collateral. Loans of up to R100 000 are made available to them, as well as other financial services, like savings, credit and insurance. However, this type of assistance is only provided if farmers can provide a business plan (Department of Agriculture, n.d.). If a land reform beneficiary lacks the necessary management skills, how are they expected to write a business plan to secure a loan? A study surveying land reform beneficiaries in the Free State (specifically the Bloemfontein area) concludes that the government needs to provide beneficiaries with

institutional support (Nell et al., 1999). Therefore, we recommend that the government help develop alternative financing models, such as microcredit, pension fund investments, or social impact bonds, that can support land reform beneficiaries. Again, these financing models should mainly target women to ensure equality within land ownership.

4.5 Market Access

Market access is essential for the success of land reform because this will give beneficiaries markets where they can sell their produce and potentially improve South Africa's food security. Lantz (2019) concludes that small-scale farmers are either not able to participate in the



market or larger competitors force them out. We recommend that the government promote linkages between beneficiaries and markets, support value chains, and improve infrastructure to connect farmers to markets.

We realise that our proposed solutions are more easily suggested than implemented. According to our survey results (see <u>Appendix</u> for complete results), 72% of respondents believe that our proposed solutions/improvements are practical and/or achievable, while 28% of respondents believe it to be only somewhat effective. Although 72% is a satisfactory number, we can admit there is room for improvement. Therefore, we will identify some shortcomings to these solutions – the further exploration of which is outside the scope of this report.

		Resources	Assumptions
1.	Land Reform and Agricultural Development Agency	Poor planning and allocation of resources can impede the success of this solution.	Assumes that all members have the community's best interests at heart, that there would be no political self-interests, and that individuals understand the objectives of land reform.
2.	National statistics on land productivity	It is expensive to conduct surveys – especially in rural areas.	Assumes that communities and/or individuals are willing to share information on land usage and productivity.
3.	Urban land reform	Some land is not suitable for buildings and housing. Overcrowding needs to be avoided as well.	Well-designed public spaces need to be in place (Huchzermeyer, et al., 2019).
4.	Finance and Education	Funding would be expensive. DRDLR and DAFF staff are overburdened with transactions,	Assumes that finance would be used for its intended purposes.

		and there is a severe capacity problem (Binswanger-Mkhize, 2014).	
5.	Market Access	Large competitors have a wide range	Assumes that exogenous factors such as
		of resources at their disposal,	droughts would be accounted for.
		whereas small-scale farmers do not.	

In conclusion, addressing land reform failure is critical. To improve the current policies, the government needs to take a more effective approach to policy implementation, collect national statistics on farm productivity, focus its efforts on urban land reform, provide finance and education and enhance market access. This will address some historical injustices of land ownership in South Africa and promote agricultural productivity and economic growth. We must understand that the Land Reform Policy needs a comprehensive approach that incorporates the needs of all stakeholders, so consideration of these alternatives is important when addressing the issue of land reform to learn and avoid the failures of Algeria, Tanzania and Zimbabwe.

When the proposed solutions are implemented with due diligence, land reform in South Africa can be successful. One key illustration of successful land reform is the Nduzulwana family (refer to <u>Case Study 2</u> in Appendix).

5. Addressing Opposing Views

Land reform is complex in nature, and as such it has been at the centre of much debate and controversy over the years. While there are many who see land reform as an important part of social justice and economic development, some argue that it may not be the most effective way of addressing poverty and inequality due to a range of unintended consequences as discussed in Section 3.5. In this section, we will explore the opposing views on land reform and the evidence supporting these perspectives. Do we believe South Africa is ready to discuss radical transformation policies such as land reform in this state of economic decline and political insecurity?

5.1 Expropriation without Compensation

According to The Constitution of the Republic of South Africa (1996, p. 10), "No one may be deprived of property except in terms of law of general application, and no law may permit arbitrary deprivation of property". This means that property owners have constitutional rights that may impede the state from expropriating their land without fair compensation. If property rights are not absolutely protected by the Constitution this will decrease investor confidence in South African land markets. Land

expropriation without fair compensation could result in a decline in agricultural productivity, as farmers may be less motivated to invest in their land if they fear it could be taken away from them (Boshoff et al., 2018). The agricultural sector contributed 2.47% towards GDP in 2021 which is relatively low (O'Neill, 2022). However, if land is provided to untrained people who lack the skills to manage the land efficiently it will result in higher levels of food insecurity in the country.

Section 9 of the Constitution (1996, p. 5) states that "everyone is equal before the law and has the right to equal protection and benefit of the law". If people have equal protection and benefit from the law, why are private property rights not protected? These are some of the intricate questions posed by landowners who believe that land should be bought and sold within a free market system. Moreover, landowners argue that the Constitution would need to be amended to facilitate land expropriation without compensation. They argue that with the current Constitution, it would certainly be unlawful to expropriate land without fair compensation. Landowners believe that South Africa is pursuing the same path that led to Zimbabwe's economic and social instability which had a ripple effect on the country's overall economic growth (refer to Case Study 1 in Appendix).

5.2 The Perfect Opportunity for Corruption

Corruption can compromise land reform efforts for instance, officials may collude with powerful landowners to allocate land in ways that benefit them rather than the intended beneficiaries. In 2018, the VBS Mutual bank scandal involved the illegal looting of funds from the bank by its executives and politically connected individuals, including members of the ANC (Lekubu & Sibanda, 2021). The scandal resulted in the collapse of the bank and the loss of millions of rands belonging to the poor. This clearly illustrates that corruption is a major concern in South Africa.

5.3 Masters of Mismanagement

Many believe that the land reform process is being mismanaged, an example of this is the backlog of land claim disputes. During the process of land reform, conflict arises, especially in terms of land restitution. The Land Claims Court, established in 1996, has the same status as any high court in the country. Thus, an appeal against decisions made by this court can be taken up with the Supreme Court. The challenge here is that it has been over two decades and this court is still operating on a temporary basis so no permanent judges preside solely on the issues brought to the attention of this court. Furthermore, the latest figures from the Commission on Restitution of Land Rights (2022) reveals that

a total of 6 907 claims are currently still unresolved. Evidently, this challenge delays the processing of land claims, which might even discourage deserving land beneficiaries from lodging claims.

5.4 Unfair Beneficiary Selection

Many regard beneficiary selection to be unfair. The Department of Land Affairs (1997, cited Netsphipale et al., 2017, p. 58) define a beneficiary as "an adult, historically disadvantaged (on race basis) South African citizen (a) who is legally competent to contract; (b) who has successfully claimed land that was taken away, or has been selected after meeting criteria set for land redistribution programme and; (c) whose name is on a farm beneficiary list at the time of land hand-over by the Department of Land Affairs (DLA) or the Department of Rural Development and Land Reform (DRDLR)". The definition independently points out the issue at hand: overregulation of the beneficiary selection process. It has been narrowly defined to such an extent that most South Africans who are living below the poverty threshold do not qualify as beneficiaries. The concern here is self-explanatory because it defeats the objective of mitigating inequality through the implementation of the Land Reform Policy.

5.5 Lack of support

The extent to which the families who are resettled receive post-settlement support is also a growing concern. While it is true that some families are being resettled to land with better resources and living conditions, one must consider that they are leaving their livelihoods and establishments they have been in for years for a foreign, unfamiliar environment. To enable the families to be in a position to optimise the land efficiently for their sustenance requires more support from the government. Manenzhe (2007, p. 4) argues that "it remains a challenge for the owners, the Government and development agencies involved in land reform to ensure that beneficiaries of land reform effectively manage and use land productively without compromising the multiple needs and aspirations of the intended beneficiaries". The author points to the lack of sufficient post-settlement support offered to the land reform beneficiaries, which prevents them from using the land optimally to sustain their families in the long run.

In summary, the opposing views on land reform should be considered in the formulation of economic policies such as the consideration of property rights mentioned in the argument. If these views are disregarded, it may catalyse catastrophic political instability as landowners who lose their land may resist the reforms and cause social unrest.

6. Conclusion

Land reform is a crucial component of South Africa's economic strategy if it is to remedy past injustices and realise a future of inclusive economic growth and social stability. Land reform in a South African context consists of a series of policies and amendments that were introduced to achieve restitution, redistribution, and tenure reform.

Unfortunately, the land reform policies have failed to meet their specified targets, with only 8% of the land being successfully redistributed. Lengthy delays, lack of support for new landowners, lack of funding, mismanagement of funds, administrative incapacity, limited data availability, corruption, and disputes over the definition of compensation are key contributors to the government's lack of success in meeting the 30% land transfer goal over the past three decades.

While some oppose land reform stating concerns about productivity and property rights, these arguments ignore the greater social and economic benefits of giving previously displaced, marginalized people access to land. Land reform has the potential to increase agricultural output, create jobs, and spur economic growth, especially in rural regions, with the right execution and support.



Implementing land reform in South Africa has been difficult due to our overburdened land claims court system and the delayed development of land reform programs, as there is currently a backlog of unresolved land distribution cases. Additionally, some people oppose the program due to the exclusionary effects of the national policy's strict

criteria for beneficiary selection and allocation. Unfortunately, the shortfalls of land reform implementation have led to several unintended consequences such as the emergence of elite black landowners, the exacerbation of existing inequalities, and the displacement of communities, especially in rural areas.

It is crucial to address these difficulties going forward and create more transparent and effective land transfer processes. This can be achieved through collaborations with private-sector actors and community-based land reform efforts. It will also be crucial to address the larger structural problems, such as unequal access to credit and markets, poor infrastructure, and a lack of security in terms of land tenure, which underlies South Africa's land inequality.

Therefore, we give the following recommendations to improve the implementation of the policy and further the nation's land reform initiatives:

- ♦ To enhance land reform's effectiveness financial resources such as microcredit schemes and pension fund investments should be made more readily available for land beneficiaries.
- ♦ Investment in the education and training of new landowners is required to boost land productivity. As well as investment in the collection and provision of sound land productivity data.
- ♦ Market accessibility can be improved by giving recipients more support and improving the current agricultural and housing infrastructure.
- ♦ To ensure that the initiatives for land reform are successful, political accountability needs to be enforced. Steps towards that have been made through the proposal of a Land Reform and Agricultural Development Agency.
- ♦ Local communities must be incorporated into land reform activities to promote a sense of ownership and cooperation with land reform initiatives.

By tackling these issues, land reform can help South Africa achieve inclusive economic growth and social justice while ensuring that the nation's agricultural industry is ready to take on new challenges.



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8. Appendix

Table 1: Expenditure Trends and Estimates

Expenditure trends and estimates

Table 29.10 Food Security, Land Reform and Restitution expenditure trends and estimates by subprogramme and economic classification

Subprogramme					Average	Average: Expen-				Average	Average: Expen-
					growth	diture/				growth	diture/
				Adjusted	rate	Total	Medium	n-term expen	diture	rate	Total
	Aud	lited outcom	ie	appropriation	(%)	(%)		estimate		(%)	(%)
R million	2018/19	2019/20	2020/21	2021/22	2018/19	- 2021/22	2022/23	2023/24	2024/25	2021/22	2024/25
Food Security and Agrarian Reform	1 585.7	1 767.7	1 440.2	3 070.5	24.6%	22.7%	2 062.5	2 106.3	2 202.4	-10.5%	25.2%
Land Redistribution and Tenure Reform	924.6	1 025.2	792.2	949.0	0.9%	10.7%	950.0	807.8	863.4	-3.1%	9.5%
National Extension Support Services	597.1	604.6	359.3	575.0	-1.2%	6.2%	574.0	552.7	580.7	0.3%	6.1%
and Sector Capacity Development											
Land Development and Post- settlement Support	995.3	622.6	423.7	612.6	-14.9%	7.7%	626.3	636.2	664.8	2.8%	6.8%
Commission on the Restitution of Land Rights	-	-	-	-	-	-	20.7	18.4	17.7	-	0.2%
Restitution	3 249.7	3 716.0	2 752.8	3 506.2	2.6%	38.3%	3 664.4	3 794.2	3 989.8	4.4%	40.0%
Agricultural Land Holding Account	1 326.5	1 682.9	448.0	938.0	-10.9%	12.7%	965.9	984.9	1 029.2	3.1%	10.5%
Ingonyama Trust Board	20.3	21.5	22.2	23.5	4.9%	0.3%	24.4	23.8	24.8	1.9%	0.3%
Office of the Valuer-General	141.1	142.1	100.0	131.8	-2.2%	1.5%	107.2	155.3	162.2	7.2%	1.5%
Total	8 840.2	9 582.8	6 338.4	9 806.5	3.5%	100.0%	8 995.3	9 079.6	9 535.1	-0.9%	100.0%
Change to 2021				967.7			(220.3)	(405.7)	(351.8)		
Budget estimate											

Source: National Treasury (2022)

Survey Results

Survey Results						
Question	Yes	No	Unsure			
Do you understand what land reform in SA encompasses?	89%	5%	6%			
Question	Only certain pillars	Support overall reform				
Do you support land reform overall or only certain pillars?	55%	44%				
Question	Restitution	Redistribution	Tenure Reform			
Which pillars do you support?	32%	45%	23%			
Question	Yes	No	Somewhat			

Do you believe land			
reform has been	5%	39%	56%
effective in SA?			
Question	Yes	No	Somewhat
Do you think our			
proposed solutions are	72%	0%	28%
practical/achievable?			
Question	Yes	No	Somewhat
Did we summarise the	77%	0%	22%
opposing views well?	7770	070	2270
Question	Yes	No	
Will you consider land			
reform when voting in	78%	22%	
national elections?			
Question	Yes	No	No opinion
Did our presentation			
change your opinion	33%	17%	50%
on land reform?			
Question	Yes	No	Somewhat
Do you think we			
appropriately	94%		6%
addressed this topic			

Case Study 1: The History of Land Reform in Algeria, Tanzania and Zimbabwe

Algeria, Tanzania and Zimbabwe have implemented the most sweeping land reforms in Africa but have faced great difficulties in doing so. This case study examines these countries' land reform failures as described by Gumede (2019a).

Algeria

After Algeria claimed independence in 1962, approximately 40% of French farmers fled to France and deserted their land. The Algerian National Liberation Front (FLN) government confiscated most of the commercial agricultural farms, with some going to the FLN elite as private farms. These farms were worker-managed, resulting in production falling below colonial-era levels. From 1965 state and private land were given to the landless and poor. This required more government investment in agricultural activities, resulting in enormous financial losses, decreased productivity and output, and increased food imports, which increased the budget deficit and exacerbated foreign debt. The government started recognising the importance of property rights, but it was only in 1985 that it started to privatise or lease state-owned expropriated farms to private farmers in an attempt to revive production. For a long time, the government was the only buyer of state farm products, which they paid below market prices for. Farm employees were also paid wages below market-related rates. The subsidies provided for imported food increased Algeria's government debt considerably and resulted in the failure of the state-led land reform in the country.

Tanzania

Tanzania claimed independence in 1961. In 1967 the Tanganyika National Union (TANU) issued the Arusha Declaration, aimed at getting rural populations to live communally in villages ('villagisation') and encourage collective farming while making it easier to provide public services. The government nationalised land in 1962. Private landowners were still allowed to retain possession but were required to use it. Customary land rights were abolished in the process. Ultimately, this plan failed because communities were never consulted. The low rainfall during 1973-1975 only added to the problem. Food production fell and the country had to rely on imports. The 1970s oil crisis exacerbated the problem further, which led to an economic crisis in the 1980s. Tanzania had to seek international support, which was granted on the condition that the role of the government be reduced, subsidies be cut, and markets be liberalised. As a result, the National Agricultural Policy was launched in 1983. Overall, the villagisation programme encouraged local subsistence farming but failed to encourage enough commercial production for exports. The experience of the private small and medium farming

sector was neglected. All the while, TANU elites benefited and private sector development was discouraged.

Zimbabwe

In Zimbabwe, the governing party, Zanu-PF, launched a populist land reform programme. Land was confiscated without compensation from Whites. A sharp decline in agricultural productivity resulted, which ruined income from exports and food production. Even though some land was reassigned to poor Blacks with basic farming skills, Zanu-PF politicians claimed much of the most-in-demand land. Even those with the best farming skills lacked the management skills needed for commercial farming. This land reform approach did not give farmers access to finance, secure market access, or encourage innovation. There was no long-term strategy, which resulted in foreign and local investment plummeting. This resulted in unemployment not only in the agricultural sector but also within the sectors that supported the commercial agriculture economy.

Land reform policies in all three of these countries were poorly implemented, lacked adequate support for beneficiaries, and failed to address inequality. Additionally, corruption, rent-seeking, and manipulation were prevalent. Consequently, agricultural productivity and economic growth were negatively affected. These policy failures emphasise the importance of careful planning and effective implementation.

Case Study 2: The Nduzulwana Family

The Nduzulwana family received a 57ha farm outside East London as part of a land reform programme, the High Heaven (South African Government, n.d.). Pigs, cows, and chickens served as the project's first operational focus. Officers from the extension program provided ongoing support and assistance. The DRDLR's Proactive Land Acquisition Strategy (PLAS) programme leased the High Heaven farm with the opportunity to purchase. As a result, it was converted to a commercial farm. 26 seasonal and 24 permanent employees work on the farm. Poultry goods are produced and distributed to grocery stores and restaurants around the Eastern Cape. The farm also supplies dairy and pork for local markets. This is a perfect example of how government support can help land reform beneficiaries succeed.