

# Reflecting on land reform: Milestones achieved and the work that lies ahead

 By [Peter Setou](#)

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2020 marked exactly 368 years since the displacement of indigenous people from their land following the colonisation of the country by the Dutch in 1652, and later the English and the Afrikaner nationalists. Since then, the restitution of land to those from whom it was forcibly taken has remained largely unresolved.



Peter Setou, chief executive of the Vumelana Advisory Fund

Since the ushering in of a democratic dispensation in 1994, the land question has been at the epicentre of social and political discourse, however, there has been little progress on this front despite its enormous political, economic and social currency.

The outbreak of the coronavirus was unexpected and slammed the brakes on the already sluggish land reform programme. The exponential spread of the pandemic compelled the national government to redirect already limited resources to the curtailment of the virus. The quest to contain the pandemic and curb further transmission relegated everything to the back burner as every available resource was earmarked to mitigate and cushion South Africans from the devastating impact of the crisis.

The pandemic forced the fiscus to augment the social grants and to introduce other relief interventions at huge financial costs to the already choking taxpayer. Land reform, like many transformation programmes, was not spared and, in fact, we had to live with significant budget cuts as government realigned budget priorities in order to deal with the pandemic.

The introduction of these interventions came at a price for the land reform programme, which was already limping at a snail's pace due on the back of restrained resources. However, the focus on the coronavirus did not necessarily signal dormancy in the land reform programme. A number of interesting developments occurred during the course of 2020 which showcased some promising green shoots.

## Some progress made in 2020

Firstly, the Minister of Agriculture, Land Reform and Rural Development Thoko Didiza announced that government planned to release 700,000 hectares of under-utilised and vacant state land as part of government's contribution to the land reform programme. To that end, government pledged to issue advertisement notices of 896 farms located in different provinces.

Secondly, the Parliamentary Ad-Hoc Committee tasked with initiating and introducing legislation aimed at amending Section 25 of the Constitution resumed with public hearings. Thirdly, the Department of Public Works published the Expropriation Bill which articulates how and when expropriation without compensation can take place in South Africa.

Whilst it is important to note that expropriation in general has been part of South African law for decades, the Bill which is set to repeal the Expropriation Act of 1975, has also been on the table for several years and so has the debates around expropriation of land without compensation.

The developments on the land reform front are encouraging and points to the eagerness by all role players to finalise the process. However, it is important that these processes be concluded in earnest so that there is policy certainty and clarity as the current climate of uncertainty is not good for investment. Government's efforts to accelerate land reform are crucial to attain social cohesion and social cohesion in South Africa hinges on inclusive and sustainable land reform.

We are of the view that more South Africans need to make inputs and participate in these processes to shape the outcomes of the land reform programme based on practical considerations for the benefit of all South Africans; and ensure that the contributions to the Bills that will be promulgated into law are informed and backed up by a significant majority of South Africans.



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## Address land reform challenges head-on

While at this stage a lot remains unclear in terms of the processes and changes to take place this year, we hope more clarity will be provided as different Bills go through the different stages of the parliamentary process. Similarly, we hope more information will be provided on how government's planned release of more than 700,000 hectares will be implemented.

Whilst it is important to ensure that there is policy certainty and legislation is amended, we must accept that this alone will not accelerate land reform. The *High-Level Panel Report (Motlanthe report)* as well as the *Presidential Advisory Panel on Land Reform* report detailed a number of issues that impact on successful and effective land reform. Among others these include:

- Lack of government capacity and poor coordination,

- Corruption and elite bias,
- Absence of appropriate framework legislation that would help keep policymakers and implementers stay on track and accountable,
- Uncertainty about what land reform should achieve so that results could be measured,
- Inadequate budgets and access to finance,
- Failure to involve beneficiaries at all stages of the projects,
- Lack of or poor post-settlement support.

If South Africa is to progressively move forward with the land reform programme, and any other new programmes relating to land reform, we must urgently address these issues and ensure that the programme is free from any form of malfeasance, irregularity and corruption.

It is unfortunate that the land reform programme has become synonymous with anecdotes of failure, of productive land being left to ruin, of extortion of small-scale farmers by some rogue government officials, of in-fighting by beneficiary communities, and of political elites benefitting unduly from the programme. It is, therefore, imperative that the post-settlement support is jerked up and the requisite checks and balances are put in place to ensure the success of the programme.



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## Solutions to addressing land reform in 2021

Post-settlement conditions for land reform beneficiaries must still be improved. This will entail a clearer assessment of community needs and aspirations, including post-settlement use to limit chances of failure. Without access to finance and organisational support failure is guaranteed. Beneficiaries need to be supported to ensure sound governance to minimise conflict and corruption.

Conflicts associated with tenure reform need to be resolved. Land reform could be accelerated if rights of families living in former homelands and in informal settlements were secured or improved and formalised. Unclear tenure and complex procedures associated with communal areas or land under control of chiefs discourage investment.

Funding remains one of the biggest barriers to an accelerated land reform programme. Therefore, funding as well as capacity of the state to implement land reform needs to be urgently addressed. This was also identified in the *Motlanthe High Level Panel Report*. Limited state capacity slows land reform, and we need to tap into the goodwill displayed by the private sector and other non-profits to address this.

## Financing land reform

We also need to develop innovative mechanisms for financing land reform. It is an established fact that demand on public resources exceeds the available funds. Restrictions to access to finance must be addressed. A guarantee or similar mechanism is required to link land reform projects to the financial system.

Furthermore, addressing information asymmetries and increased transparency remain a priority to boost the development of alternative financing instruments for land reform beneficiaries. Over time beneficiaries will build information and history that will enhance funding alternative to traditional collateral-based lending and using collateral registries to promote adequate legal and institutional protections which will enable them to access much-needed finance and other resources for operating their businesses. The private sector has an invaluable role to play in this regard.

Lastly, how we communicate with South Africans on land reform going forward will be critical. We need to communicate clearly as role-players in the land reform space, manage high expectations, share good stories to give people hope and collectively condemn illegal activities, corruption and irregularities that continue to cripple efforts being made in the land reform programme.

## ABOUT PETER SETOU

Peter Setou is the chief executive of the Vumelana Advisory Fund, a non-profit organisation that works with land reform beneficiaries to make their land productive by facilitating partnerships between communities and investors who have, among other resources, access to capital and markets.

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