

Current land reform challenges need to be fixed before moving forward

According to Peter Setou, Chief Executive of the Vumelana Advisory Fund, speaking at the ninth Annual Rural Development Policy Conference, there seems to be a change in the stance towards a way forward with the amendment of Section 25 of the Constitution, however, constitutional changes will not address the current issues impeding the success of land reform. What the country needs for successful land reform is a diverse and flexible set of instruments to enable its acceleration.



Peter Setou, Chief Executive, Vumelana Advisory Fund

High failure rate of land reform to date

Highlighting the high failure rate of land reform to date, Setou noted that in 2010, it was estimated that 90% of the 5,9m ha land transferred was no longer economically active (5,9m ha is 1.5 times the size of Switzerland) and in 2012 this figure is said to have increased to 6.7m ha. While the failure rate of transferred land reduced from 90% to 70% in 2012, the progress made is not enough to sustain food security and it seems we have not moved forward much in effectively equipping current beneficiaries of land reform to succeed.

“We need simplified restitution processes and mechanisms to cut through intra-community disputes, restrictions on access to capital need to be removed, district land reform committees must be strengthened, and we need to address current governance practices among Communal Property Institutions (CPIs).

Ensuring a just and equitable process

“Tenure reform must address the rights of millions of families in communal areas, and families must be prioritised over politicians, developers and chiefs. Resources must be enhanced and post-settlement support must be expanded to enable the success of land reform,” he said.

Setou argued that, while the Department of Rural Development and Land Reform has increased budgets for post-settlement support committing to settle 1,151 land claims at a cost of R2bn for the 2018/2019 financial year, and to prioritise post-settlement support on restituted farms, allocating R700m towards addressing this, funding support still needs to be further increased.

“Institutional capacity remains a challenge, and the government needs to build it nationally, provincially and locally,” he noted.

Our approach to addressing the current challenges around land ownership, restitution, redistribution and reform should focus on acknowledging the impact of historical dispossession and the need for reform. Focus must be placed on the importance of ensuring a just and equitable process that still acknowledges the importance of property rights and the promotion of balanced concerns for the acquisition of land and the manner in which land is used.

Leveraging the CPP model

“We must address the matters that require urgent attention, in particular developing and implementing strategies to enable

the success, impact and profitability of land in the hands of current beneficiaries of land reform. Various institutions and key industry stakeholders that have been working in this space have come together to develop possible solutions to moving forward with land reform, strategies and plans to enhance the productivity of land, and developing a number of different scenarios to map out possible outcomes.

“These interventions must be considered as we look at how to move forward with the land reform programme,” said Setou.

He explained that among other interventions, the Community Private Partnership (CPP) model still presents a plausible solution to enabling successful land reform. In a CPP model, a partnership is formed between communities that acquire access to land under the land reform programme and private parties who can help support them. Typically, the communities bring their land and labour and the private partners or investors contribute resources and experience – they work together to ensure that the land received remains profitable.



Achieving sustainable land reform through partnerships

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CPPs differ from typical joint ventures that may, for example, require 50:50 shareholding and risk-taking. CPPs are based on an assumption that the partners are unlikely to be equally capable of carrying risk and that the balance of risks, resources and rewards must be negotiated in the context of the particular circumstances of each case.

Leveraging the CPP model, Vumelana has facilitated 15 partnerships that have the potential to mobilise an investment of R580m, putting approximately 70,000ha of land to productive use and benefitting more than 13,500 beneficiary households.

“Government must have a thorough look at what has been done and what has worked with land reform, and explore work done with CPPs before developing any new strategies. While there have been developments in discussions on land reform since the ANC’s land summit, it is important to reiterate that it will be fatal if the current debates around expropriation of land without compensation divert attention from issues requiring urgent attention within the land reform space, including addressing the issue of limited resources - both human and financial - to address land reform,” said Setou.

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