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QUESTIONS REGARDING THE PROGRESS ON LAND REDISTRIBUTION AND RESTITUTION

(Please note that this set of questions is not in response to the presentation of the Department, as it has not been forwarded to the Committee at this point in time. This brief outlines some general concerns or questions regarding the Land Reform process.)

1. INTRODUCTION

There has been much debate around the speed of the land reform process in South Africa. At present, recent data released by the Department of Rural Development and Land Reform suggests that the target of transferring 30 percent of white-owned agricultural land is not going to be achieved by the Restitution and Redistribution processes alone. In many cases, the acceptance of cash settlements in lieu of land has been blamed for some of the difficulty in attaining the original 30 percent re-allocation target, but according to research¹ presented, the settlement of all Restitution claims still outstanding, combined with historic claims, will only amount to 2 percent of white-owned commercial land. The Redistribution process had fared slightly better, but was also plagued by slow progress and lower than expected land transfers. By the end of 2012, the Redistribution process had resulted in the transfer of 7.5 percent of white owned farm land to claimants.² Post settlement support has also been a significant problem in the land reform process. This has been acknowledged by the Department, and during the 2009/10 financial year, the Recapitalisation and Development Program (RADP) was launched to attempt to improve post settlement support.³ Since its inception, 696 farms have been recapitalised and developed. Of these, around half, (389) were purchased through PLAS. The balance of beneficiaries had land purchased through land reform grants.⁴

Based on the history of the performance of the Department in this extremely emotive and challenging theatre, there are a number of important matters that can be addressed:

1. The continued preference for communal/group settlements above single title holders;
2. The quality of land available for use under the willing seller/willing buyer principle;
3. The potential miss-matching of the reform process and desires of claimants; and
4. The difficulty in settling the final claims lodged in the first round of the land reform process.

¹ Pepeteka (2013).

² Ibid.

³ Ibid.

⁴ Minister of Rural Development and Land Reform (2013).

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QUESTIONS FOR THE DEPARTMENT

QUESTION 1: THE CONTINUED FOCUS ON GROUP, TRUST AND CO-OPERATIVE SETTLEMENTS.

Research presented by the Department of Trade and Industry⁵ clearly indicates that there is a significant risk of failure when co-operatives are established to manage projects or to be beneficiaries of government assistance. Instead of allocating small farming units to individuals or families, a commercial farm-sized area is typically allocated to a large number of beneficiaries organised into a cooperative, Trust or similar type of legal entity. This form of communal economic activity has been found⁶ to be highly ineffective. The failure rate of cooperatives is around 88 percent, with almost half of the provinces recording failure rates above 90 percent. Many of the reasons given for these failures can also be attributed to failed or misdirected government support, which again raises questions pertaining to the focus of departmental programmes and interventions. Cooperatives also contribute significantly towards their own demise, with many not formed on a genuine basis (or with the genuine intent of all participants). Cooperatives are often seen as a method of accessing "free money" in the form of various support grants. The DTI considers the high prevalence of ongoing conflict among cooperative members over the control of the cooperative's financial resources and assets, coupled with poor management and lack of cooperation between individual members as evidence of this perception.⁷ Data presented by other sources⁸ support the scenario outlined by the DTI. Research found that 12 percent of individuals desiring land wanted it for purposes other than food production. This increases the risk that lumping all recipients of a particular successful claim into a cooperative designed to utilise the farm as a single commercial entity is unlikely to be fully supported from within the cooperative structure.

Cooperative allocations also create legal problems in other spheres of post-settlement support. The legal Resources Centre, for example, pointed out⁹ that the current structure of the legislation that governs mining rights discriminates against individuals residing on communal land and the recipients of land reform. Such residents are not always entitled to first access to mineral rights and also have a far more complex route to follow in order to claim old order mineral rights

It is therefore important to ascertain whether the Department still considers the allocation of group rather than individual ownership as a satisfactory route of settling land claims, particularly in terms of post settlement support and rights.

⁵ Department of Trade and Industry (2012).

⁶ Ibid.

⁷ Ibid.

⁸ PLAAS (2013b).

⁹ Legal Resources Centre (2013).



QUESTION 2: THE QUALITY OF LAND AVAILABLE TO RESETTLED FARMERS

The National Treasury states that the aims of the Department's land reform programme are "to acquire strategically located land and to ensure 100 percent productivity of all redistributed farms by 2016"¹⁰. Since 2011/12, the Department has spent R20.7 billion in the Restitution and Land Reform programmes towards attaining this goal.¹¹ Yet it is unclear whether there will ever be 100 percent productivity at the end of the land reform process. South Africa is not blessed with a massive amount of fertile and irrigable land. A large portion of previous homeland surface area is badly degraded as a result of past land use patterns dating back to the period up to 1950¹², and a large portion of current commercial agricultural land is suffering from the effects of decades of intensive production, erosion of sensitive soils, and variable and changing rainfall patterns. Under these circumstances, it is difficult to secure quality land for the land reform process, made all the more difficult by the adherence to the "willing buyer/willing seller" principle. While the Restitution programme seeks to return land (or compensate) to Africans that were dispossessed by South African land ownership laws since 1913, the process must be questioned with regards to its ability to supply land to communities that is viable for use in agriculture after settlement. The Redistribution process, even more critically than the Restitution process, has to be evaluated for its ability to provide suitable agricultural land to recipients of land reform due to the intention of the process to "provide blacks with access to land for residential and productive use to improve their livelihoods."¹³

Further to the need to acquire suitable agricultural land is the question of the extent of post-settlement support required to ensure productivity on redistributed land. The provision of resource poor or degraded land in the land reform process will add significantly to costs incurred during post settlement support in order to ensure the sustainability of any farming venture. While data is not readily available for the whole country, research¹⁴ indicated that over 65 percent of Redistributed land and just fewer than 10 percent of Restitution land in Limpopo Province was not actively farmed just prior to acquisition. According to the National Treasury, Departmental expenditure on post settlement support is expected to increase beyond 2013/14 due to the need to recapitalise another 525 farms.¹⁵

Can the Department please supply an indication, per Province, of the agricultural potential of land acquired for Redistribution and Restitution processes, and the typical costs per Province incurred in post settlement support for degraded farms (farms not actively farmed or badly over-utilised land acquired at a lower cost). Can the Department also indicate how many degraded farms are now still in use after settlement.

QUESTION 3: POST SETTLEMENT SUPPORT FOCUS.

¹⁰ National Treasury (2013).

¹¹ Ibid.

¹² Hall (2013).

¹³ Pepeteka (2013).

¹⁴ Aliber *et al.* (Undated)

¹⁵ National Treasury (2013).



According to calculations based on figures presented by PLAAS and AgriSETA¹⁶, the typical established commercial farm unit (derived by dividing the total number of commercial farming hectares in the country with estimates of the number of commercial operators in the country) is roughly 2000 Ha in size. This contrasts sharply with the potential number of farmers resettled on agricultural land as part of Redistribution and Restitution programmes. Although the results can be slightly erroneous in over-estimating the total number of individuals involved with farming on the newly acquired land (the total area of redistributed land was divided by the number of beneficiaries recorded on the claims that were settled), it is still significantly different to commercial farms. In terms of redistributed land, the average area allocated per claimant was 16 Ha¹⁷, while land received as a result of restitution claims amounted to an area of 1.64 Ha per claimant. This difference is important as it will clearly guide the evaluation of post-settlement support offered to recipients of land. It further underlines how the potential aspirations of the recipients may differ from that of the supporting Departments. Research presented by PLAAS indicated that 45 percent of black South Africans wanted land. Almost half of these individuals wanted 1 ha land or less, and in total, around 80 percent of individuals interviewed wanted less than 20 ha.¹⁸ Less than 3 percent of individuals wanted any farm larger than 200 ha.

A national survey of Land Redistribution and Agricultural Development (LRAD) projects indicated that farming remained the most important source of income for 41 percent of beneficiaries, with 38 percent of recipients seeing incomes rise, 42 percent expressed greater tenure security and 34 percent experienced improved food security and grazing access.¹⁹

Based on the information above, is the Department (together with the Department of Agriculture as a development partner) not overly focused on developing commercial enterprises through the land reform process when it is apparent that the greatest desire is for smallholder enterprises that provide greater tenure security, improved food security and access to better grazing for families and individuals rather than large scale commercial activity?

QUESTION 4: THE SLOW PACE OF LAND CLAIM FINALISATION.

Despite significant increase in staffing and consultant expenditure, the land claims process has not yet been completed 15 years after the deadline for claim submissions lapsed. According to the National Treasury,²⁰ expenditure on consultants alone increased from R115.5 million in the 2008/09 financial year to R659.7 million in the 2011/12 financial year. In provinces such as Limpopo, the impact of the land claims process to date has been limited. According to Aliber *et al.*²¹, only 500 000 ha of land has been restituted and around 80 000

¹⁶ PLAAS (2013b) and AgriSETA (2010).

¹⁷ Data from AgriSETA (2010) describing all claims settled up to 2009.

¹⁸ PLAAS (2013b).

¹⁹ PLAAS (2013a).

²⁰ National Treasury (2012).

²¹ Aliber *et al.* (Undated).



ha redistributed since 1994. This equates to a 7% change in black land ownership in the Province. According to the authors of the literature cited, up to 4.4 million hectares could still be subject to claims in Limpopo alone.²²

By 2012, 7.95 million hectares have been redistributed, amounting to 7.5 percent of white-owned agricultural land. A year earlier, and 14 years after the commencement of the claim settlement process, the total land area redistributed was 6.3 million hectares, or 7.2 percent of previously white-owned land.²³ Thus, after the commitment of substantial resources since 2011, the process of land reform does appear to be speeding up, but not as expected in all provinces.

Can the Department provide the Committee with a clear indication of the total number of outstanding claims to be settled per province, the total land area involved and the estimated costs related to settling these claims.

²² Aliber *et al.* (Undated).

²³ PLAAS (2011).



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