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If the agricultural sector cannot come up with a plan for land reform, what will be the impact be on producers and agribusiness?

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Land reform is currently in the spotlight, and rightly so. The issue is not whether land reform should take place or not, but rather how it should be done to ensure a more equitable and fair pattern of land ownership. This process must not be allowed to put food security at risk.

It is this dilemma that is currently leading to opposing viewpoints and conflict in the ongoing consultation process between the government and the private sector, and more specifically with organised agriculture and agribusiness. Central to this conflict are two of the three principles of the Green Paper on Land Reform, namely:

1. Democratic and equitable land allocation across race, gender and class; and
2. Sustained production discipline for food security.

These principles say nothing about private property rights and the broadening of those rights through a transparent and credible land and property market, but rather the emphasis is on the allocation of land to beneficiaries in view of ultimately reflecting the demographics of the country in terms of race, gender and class. This implies that the government will primarily attempt to take control of the land (ownership/curatorship?) in order to manage the allocation as a function of power. The aforementioned principle does not refer to a more equitable distribution of ownership that comes about through well-planned interventions within a land market.

So too, “sustained production discipline for food security” can hardly be enforced by government. This is very similar to a “Centrally Planned Economic System” – an obsolete ideology that resulted in immense suffering and starvation in many parts of the world, including African countries to our north. At most, the government can create an empowering policy and legislative environment within which entrepreneurs, both large and small, can consider capital investment in food production for a fair return.

An open, competitive market system must form the foundation of our agricultural food system, as well as our food security. As such, certain interventions are required with regard to the system/principles so as to systematically address the imbalances and wrongdoings of the past. The South African constitution gives specific guidelines for managing land reform and property

rights in the country, while the associated Bill of Rights also entrenches certain rights in this regard.

From the process of consultation on the Green Paper on Land Reform by the National Reference Group, a number of bills and amendment acts (close to 9) were devised, mostly with the support of Agbiz. However, no form of consensus on the so-called land ceilings could be reached during this process, while the so-called 50:50 ownership and management model in relation to farmworkers (Strengthening the Relative Rights of People that Work the Land Policy), as proposed by Mr Nkwinti, the Minister of Rural Development and Land Reform, was incorporated as an afterthought at the very end of the process. Agbiz also lodged principle grievances against this model, since it would have in effect cut any enterprise's ability to secure financing in half, and would have simultaneously put financiers at great risk.

These two major points of contention, together with a new one that was unexpectedly announced by the Minister at the recent Communal Land Indaba, to the effect that every farmworker household must be given one hectare of land by the owner, with title deed and all, are a source of great uncertainty and serious concern. It is clear that the Department is moving towards the establishment of smallholder farmers in the commercial agricultural sector. This philosophy of a so-called "African Peasant Order" speaks very strongly to the work of the two main advisors/researchers associated with the Department of Rural Development and Land Affairs, namely Prof. Sam Kariuke of the Department of Sociology at Wits University, and Prof. Sam Moyo of the University of Zimbabwe, who is also the architect of Zimbabwe's radical and disastrous land reform plan. It is worth reading up on their work.

In order to counteract this radical and disastrous route towards land reform, it has become critically important for the private sector to take the lead in land reform and to guide it in a commercially viable direction that will also ensure true food security, rather than the government's erroneous definition thereof. For this reason, Agbiz and the Banking Association South Africa (BASA) have joined forces and, in line with the land reform framework of the National Development Plan (NDP), which is government policy, have developed a financing model and have offered to take the initiative in terms of land reform. But then all role players, including the major commercial farmers, will have to work together on a large scale to achieve the goals that have been set.

If we are unable to achieve and demonstrate true success, the land reform debate will be sent ever further down a dead-end street, with us being left as nothing but spectators and victims of the process. The government's failure to successfully implement land reform is sure to be used by outside elements as an excuse for broad-based "land grabs" or the illegal occupation of land.

We have little choice in the matter, but the road we must travel is one founded on specific economic principles and values, and we have to remain steadfast and work together to achieve success. This is the best antidote to obsolete ideologies and dead-end policies.

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