

Expropriation debate must not sap energy from agricultural master plan

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The department of agriculture, land reform & rural development, agribusinesses and various social partners have been hard at work for months crafting the agricultural and agro-processing master plan and, separately, blended finance instruments.

These aim to ignite growth and expansion in the agricultural sector as part of the government's broader economic reconstruction and recovery plan. Both initiatives are set to be launched in the coming months, while the first phase of the blended finance instrument programme has already started, as evidenced by the recent launch of the R1bn Agri-Industrial Fund by the Industrial Development Corporation in partnership with the department.

These are constructive programmes with the potential to ignite growth and transformation in the sector. Agricultural organisations allocate much of their time and resources to pursuing these goals. Sadly, much of this good work takes place behind the scenes, while other major policy developments that might hinder progress grab the attention of social partners and the media.

A case in point is the renewed debate over section 25 of the constitution, and the Expropriation Bill. At the end of March, parliament's portfolio committee on public works hosted public hearings on the bill, while the committee tasked to "make explicit what is implicit" in section 25 of the constitution continued with its public hearings. The outcome will have implications for public sentiment. I hope it will not detract from the two initiatives mentioned above to drive growth and expansion in agriculture.

The success of any of these programmes depends on the private sector and other social partners jointly implementing the government's proposals. As such, policy actions that might be perceived as not aligned with broader stakeholders' interests present a risk and could lead to a lack of participation and stalling of the master plan and the blended finance implementation.

Procedural guarantees

The debate over amending section 25 has gone beyond the realm of agriculture as various other stakeholders have engaged with parliament. As the outcome is likely to have direct implications for the success of the department's work programme, it would be prudent for parliament to consider the broader impact on the agricultural and other sectors of the economy while SA is in an economic reconstruction phase. Land reform is an important policy imperative, but amending the constitution is not the panacea that will lead to the desired outcome of prosperity.

It is imperative that parliament finalises the Expropriation Bill. It provides the procedural guarantees required to bring the government and an expropriated owner or bondholder on to an equal footing if expropriation occurs. Unlike the section 25 amendment, I broadly support the need for legislation to regulate expropriation but oppose the provisions relating to "nil" compensation. Expropriation should always be used as a last resort and cannot substitute for well-formulated and well-implemented programmes to effect transformation in the sector.

There are various existing public-private partnerships (PPPs) for land reform, some of which were highlighted by the presidential advisory panel on land reform and agriculture and chapter six of the National Development Plan, which the government could use to accelerate land reform. There is also

an ample supply of land that the government has not efficiently distributed or transferred to potential beneficiaries — some estimates put this area at more than 2-million hectares.

We are also bombarded daily with news headlines of corruption and inefficiencies at local government level, some of which threaten the same black farmers the government intends to support. Hence, PPPs have been my favoured approach to land reform. The master plan is designed in the spirit of the joint venture. A continuation of this approach to policy implementation could yield positive results for expansion in agricultural production. However, the approach that will be taken in parliament concerning section 25 could distract stakeholders from these necessary economic reconstruction plans.

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