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## How the changing political landscape may influence South Africa's agriculture and land policy

- With the voter counts now completed and the African National Congress (ANC) support having fallen sharply to just 40% support, some form of a coalition government will likely govern South Africa. The nature of such a coalition arrangement will likely emerge in the coming days and weeks.
- As with any coalition negotiations, trade-offs will likely involve several government functions and policies. The question that should be addressed in the agriculture sector is: What are the implications for potential changes in government functions on agriculture and land reform policy?
- We believe that regardless of the formation of the coalition the ANC settles with, the Department of Agriculture, Land Reform and Rural Development (DALRRD) policies should be maintained. Still, from a reading of the top four political parties trailing the ANC in the voter outcome, two stand out with contrasting views on land reform to the current policy path, namely, the Economic Freedom Front (EFF) and the uMkhonto weSizwe Party (MK Party). These parties have a strong preference for the expropriation of land without compensation.
- The MK Party manifesto states that the government should "expropriate all land without compensation, transferring ownership to the people under the custodianship of the state and traditional leaders". This is the direct opposite of the programme of rolling out title deeds and strengthening land tenure that the DALRRD is currently pursuing. Similarly, the EFF manifesto states that its approach to the resolution of the land question will be "anchored on the principle of expropriation of land without compensation for equal redistribution and use, and for the State to be the custodian of all land in South Africa." We deem this policy path unfavourable for investments, long-term inclusive agricultural growth agenda, and job creation.
- For its part, the Democratic Alliance (DA) champions strong property rights. Moreover, the DA has been implementing national agricultural policies in the Western Cape. This suggests that the DA would not be inclined to change the agricultural policy path significantly.
- The Inkatha Freedom Party has a slightly different view, which advocates for the growth of South Africa's agriculture, with the release of land to the beneficiaries in the State's hands. This, too, is aligned with the current ANC policies. The slight ambiguity of the IFP policy on land is the following statement from the manifesto: "Continue to support the policy of land expropriation with reasonable compensation".
- From a purely agricultural perspective, the IFP policies are aligned with the current government's approach. For example, the IFP states that the government must "Ensure significant State support,

especially for new entrants into the agriculture industry." This work is already being implemented through the Blended Finance instrument that the DALRRD is rolling out in partnership with financial institutions. The IFP further argues for partnerships, stating that the government must "Promote the involvement of both private and public sectors in the country's agricultural development processes." This partnership approach is at the heart of the Agriculture and Agro-processing Master Plan.

- Admittedly, forming alliances would likely result in trade-offs in policy positions of the political parties that would join the ANC in government. Therefore, whether there is solid conviction for this expropriation of land without compensation policy in the EFF and MK Party is something that will likely become clearer as parties outline their non-negotiables. We will know more about this in the coming days and weeks.
- Ultimately, when the new administration has been formed, we believe that the Agriculture and Agro-processing Master Plan should remain the primary programme for the government to drive inclusive growth in South Africa's agriculture. We also believe that the protection of strong property rights and the continuous release of government land to appropriately selected beneficiaries are essential steps in driving inclusive growth in South Africa's agriculture.
- The current leadership at DALRRD remain in office until a new government is formed. A lot about the political leadership of the DALRRD in the new administration remains unknown. Still, even if there is a change in the department's political leadership, we don't expect any immediate changes to the civil service leadership. With the current Director-General and the deputies set to remain in their positions for some time, we believe the policy mentioned above for the DALRRD will likely be sustained. And this is our preference. While not relevant in the current case, it is worth emphasizing that changes in leadership personnel should not necessarily imply policy change.