This is a story about an inclusive approach to land reform with a pro-poor orientation. Policy makers create an enabling environment in which a wide range of actors can contribute to land reform, based on multiple forms of ownership, tenure, land use and scale of operations. Over time, hard talk, concessions and compromises enable small-scale farmers, land reform beneficiaries, civil society organisations, financing partners and others to play active and collaborative roles, and the state moves towards a facilitative and coordinating function. By 2030 pockets of success are apparent and the state reaps the benefits of pro-poor inclusivity. Nevertheless, food security remains fragile.

“THIS LAND IS YOUR LAND; THIS LAND IS MY LAND”

It is 2016 and land reform in South Africa is increasingly fraught. There is consternation over the lack of productivity on land transferred through restitution and redistribution, food prices are rising in the context of a depreciating rand, and a dry weather cycle is causing the worst drought in 20 years. Tensions run high between the many interest groups involved in land reform as pressure builds to achieve the National Development Plan target to transfer 20 per cent of commercially viable land by 2030. Sixty-five per cent of young adults under 25 are unemployed.

In the 2016 local government elections the ruling party’s poor showing in metropolitan municipalities marks a turning point for the former liberation movement. This coincides with rolling urban protests against the costs of education, health care, public transport and food. In some areas these are led by branch members of the ruling party. In others, they are led by student activists on university campuses. Urban voter disaffection distracts attention from the extensive set of rural land reform policies being moved through the consultation and promulgation process.

2017

By mid-2017, the economy is grinding along at 1 per cent growth. Inflation is edging towards 10 per cent and the rand is volatile, swinging between R18 and R20 to the US dollar. In this tight fiscal context the National Treasury cuts the Department of Rural Development and Land Reform’s budget.

There is an air of urgency at the ruling party’s December 2017 national conference, particularly about how to recapture the urban vote and retain the loyalty of its rural voters. A group of younger leaders emerges, critical of mistakes they feel the previous generation of leaders have made in recent years. They warn about making promises that cannot be kept, including about land reform. At a press conference immediately after the conference, the newly elected president of the ruling party announces that South Africa is on an unsustainable path to land reform and expresses commitment to a pragmatic and inclusive approach that aims for more effective land distribution in both urban and rural contexts.
Despite this sentiment, the ruling party suffers further losses in the 2019 national election and is supported by only 57 per cent of voters. It is still in control, but is sensitive to the risk that it may lose the election in 2024 unless it makes dramatic changes. The new president gathers a group of young advisors. They work closely with recently recruited professional bureaucrats who maintain a clear boundary between their work and that of the politicians. The Department of Rural Development and Land Reform leadership launches a major staff training programme coupled with tighter management of staff performance. ‘Building capacity for land reform’ becomes its watchword.

The new Minister of Rural Development and Land Reform affirms her support for her department’s mission to “initiate, facilitate, catalyse, coordinate and implement an integrated agrarian reform programme”. In her first speech she identifies subdivision of land as a priority catalyst and political analysts count her use of the word ‘partnership’ no fewer than 17 times.

The second period for restitution claims closes weeks after the elections and much is made of the fact that the 400 000 new claims will be speedily addressed by a revitalised and autonomous Commission on Restitution of Land Rights.

However, the full extent of the land reform predicament soon becomes apparent. Restitution and redistribution will cost the fiscus R180 billion against an annual budget of R7.5 billion. This excludes complex claims not yet finalised from the first round. The policy of imposing ceilings on farm size will require a further R100 billion.

The state sets out to unclutter the policy agenda. It moves swiftly to replace foreign ownership of agricultural land with long-term lease agreements, and implements the AgriBEE Sector Code. Freehold land that is underused or lying fallow will be subject to extra taxation. The clear message is that patterns of landholding will have to change in the interests of redressing historical legacies, but without crippling commercial agriculture or placing unrealistic demands on a strained fiscus. Meanwhile, the Department of Human Settlements renews its efforts to address urban spatial apartheid legacies through setting new targets for establishing mixed income housing estates. It sets up a commission to review the bureaucratic processes that impede the issue of title deeds for low-income housing, and to improve the efficiency of the Deeds Registry.

The government retracts its policy on ceilings for farm sizes. Work starts on the development of a range of incentives to encourage private landowners, financiers, NGOs, local communities, universities, input supply companies and retailers to respond constructively and collaboratively to the land reform challenges.

Over the next five years a range of new land reform strategies are piloted in cities and small towns, on agricultural land, and in growing urban settlements located in former homelands. The state adopts a ‘social compact’ approach to its engagement with prospective beneficiaries.
From 2020, South Africa’s economic growth rate starts rising on the back of growth in the US and recovery in China. A pact between labour, government and business, forged after the 2019 election, shows positive signs of bolstering the resilience of the South African economy. By 2022, the growth rate is at 2.5 per cent and resources start to flow towards land reform. For the first time in eight years, the Department of Rural Development and Land Reform is allocated a larger budget than the previous financial year.

This seems to end a hiatus in land restitution. Amidst growing pressure, the Commission asks for patience while it finalises all the claims from the first claims period and prepares to unveil a ‘practical’ strategy for the newer claims. In 2022, the government announces it will follow the lead of the urban restitution programme and apply a ‘standard settlement offer’ for the overwhelming majority of claimants who want cash settlements. It comprises part cash settlement and part access to housing benefits per legitimate claimant. The remaining claimants will have to wait for restoration of their land.

In urban South Africa, there is a major drive to transfer ownership of land and housing. The Department of Human Settlements challenges the finance sector to address ‘gap market’ opportunities for township dwellers who aspire to move to the suburbs and earn too much to qualify for a housing subsidy, but too little to qualify for a home loan. A subsidised financial instrument for low-income aspiring homeowners is launched by the five major banks in partnership with the Department of Human Settlements. Vacant land close to the suburbs is targeted for mixed income housing estates. Driven by the state to serve an emerging middle class, the initiative is funded by the private sector, which tops up housing subsidies for low-income units. Most rural migrants do not qualify for the scheme; instead they continue to experience insecure land tenure in informal settlements on the periphery of major cities.

In rural areas, farmland is actively acquired by the state through expropriation and by offering ‘just and equitable’ compensation at typically 20 per cent less than market value. Many of these farms are subdivided to encourage smaller scale farming. White commercial farmers who choose to sell their land rather than risk land invasion, retire or seek greener pastures elsewhere. Land belonging to the top 20 per cent of producers is ring-fenced to protect agricultural productivity.

There is a fierce debate about leasehold arrangements on land acquired through land reform and held by the state. Some argue that this enables government to reverse the historical advantages of the white minority and to prevent failed land reform farms being sold back to whites. Others insist that the state’s persistence with short-term leasehold deprives new commercial farmers of the collateral they need to invest in inputs and infrastructure. Still others are concerned about the state being exposed to risk from failed land reform farms.

The Department of Rural Development and Land Reform is increasingly aligned with the Department of Agriculture, Forestry and Fisheries as it invests in opening up access to the agricultural value chain to link farmers to agro-processing operations.

**SCENARIO 4: HARD BARGAINING & COMPROMISE**

A pact between labour, government and business, forged after the 2019 election, shows positive signs of bolstering the resilience of the South African economy. By 2022, the growth rate is at 2.5 per cent and resources start to flow towards land reform.
The state adopts a more facilitative and co-ordinating role to support small-scale operators, regulate competition and maintain infrastructure.

The 2024 elections return the ruling party to power, reversing some of the previous urban losses. Election commentators suggest that the party has received a renewed ‘license to govern’ on the back of recent signs of progress.

Planning is still mired in conflict between municipal and traditional authorities. While the implementation of the Spatial Planning and Land Use and Management Act has been patchy since 2015, it has started to shift attention to inclusivity, access and local economic development. This catches a global wind of change in support of small-scale production and the localisation of food supply chains. Small-scale farmer movements in Latin America and India have reached critical mass and are championing the spread of successful practices.

The state broadens its support beyond medium- and large-scale black commercial farmers to small-scale farmers. It drives growth in viable small-scale farming through a range of rewards and penalties. For example, it incentivises agri-business and commercial farmers to bring smallholders into high value supply chains, while exerting strict controls on the terms and conditions offered to smallholders. As the space for innovation grows, multiple financing mechanisms become available for small land holders. These include government grants, effective funding schemes from development finance institutions, and preferential procurement policies pioneered by certain retailers.

By 2025 the gap between small-scale and commercial farming narrows, with 5 000 more black small-scale farmers entering formal supply chains. Research shows that 150 000 continue to supply informal markets, which are supported by local municipalities.

District land reform committees become more effective. They identify land for redistribution, monitor compliance of commercial farmers with AgriBEE, and locate farmworker eviction hotspots.

Despite these gains, the productivity of the whole agricultural sector falters during this time of change. This is exacerbated by the increasing unreliability of rainfall in some areas, which places dryland agriculture under extreme pressure. Maize production is seriously affected and food prices rise sharply. As more small-scale producers enter supply chains, the quality of fresh produce declines somewhat.

Following a ten-year slump, there is a rising demand for commodities, and agricultural commodity prices increase. Farmers with export commodities gain, but the weak rand puts those with imported inputs under pressure, forcing them to mechanise and pursue production on a larger scale. The commercial farming sector becomes more concentrated.

Informal land tenure in communal areas, on farms and in backyard shacks remains a thorn in the side of planners. At a procedural level, the Bakgatla Ba Kgafela Constitutional Court judgement creates a precedent for land reform in South Africa.
for the state to support choices made by individual communities about the tenure solutions that will work best in their context. In some areas this ushers in a version of what some call ‘living customary law’. However, entrepreneurs in communal areas who seek to use land rights as collateral for loans continue to be turned away by the banks.

On the back of continued global growth, South Africa’s economic growth rate moves up to 3.5 per cent. Rising optimism amongst South Africans is visible in their renewed engagement with each other. There is a greater sense that opportunities and challenges are shared and can be addressed.

2029

By 2029, the South African landscape is starting to show signs of change. There is a greater diversity of land holding arrangements and land uses. Planning and zoning at the municipal level encourages mixed land use. Different scales of agricultural production are evident on land in urban, peri-urban and rural areas.

The state adopts a more facilitative and co-ordinating role to support small-scale operators, regulate competition and maintain infrastructure. It leaves the informal sector alone, such as the bakkie trade in fresh produce and the supply of goats for ritual slaughter, which tend to thrive in a low regulation environment. There are isolated cases of proactive municipal support such as providing open spaces for weekly market days.

The situation in 2030

By 2030 there is growing plurality in the South African countryside. Land rights are clearer and partnerships are developing to include small landholders, commercial farmers and active citizens. Forty per cent of agricultural land outside the former homelands is black-owned. While a variety of value chains are developing, food security remains fragile at both national and household levels, presenting a threat to a state that is otherwise reaping the benefits of pro-poor inclusivity. Will the pockets of success apparent by 2030 become mainstream in the next decade and will they create the basis for improved food security?

The stage is set to tackle the intractable issues of security of tenure for farmworkers and backyard shack dwellers, the proliferation of informal settlements, securing land rights, and promoting development on communal land.