# Effective land reform requires trust from all parties

**GLOBAL INSIGHT BY DR TINASHE KAPUYA**

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Many opinions about land reform have been proffered by the body politic and analysts alike, particularly since the ANC adopted a motion to explore land expropriation without compensation.

Grim warnings of unintended consequences have been sounded about the negative outcomes of badly managed land acquisition programmes, but have not been matched by ideas of how to address them.

Having reflected about the possible unintended consequences of expropriation without compensation, it is worth re-looking at some of the existing proposals to facilitate land redistribution that have never been fully tested. These include the resolutions of the National Reference Group (NAREG) consultation process, the High Level Panel report, Operation Phakisa, as well as a variety of private sector and academic proposals, among others.

Appreciating the fact that the current land policy proposal resulted from the frustration with the perceived slow progress, there has been some headway if the hectares transferred from white to black farmers (not the productivity of the land) are considered.

## GOING FORWARD

The ongoing debate also provides an opportunity to share ideas on how the land reform process should look going forward.

Wandile Sihlobo, head of economic and agribusiness intelligence at Agbiz, and I had previously argued that land reform processes should be more aligned with the ideas raised in Chapter 6 of the National Development Plan. The reason for this is that we believe it contains more practical steps for effective land reform.

The National Development Plan suggested that the identification of transferable farms and beneficiaries should take place at a district level, facilitated by the district land reform committees that were established in 2015. Under the auspices of district committees, a tripartite joint venture approach to land reform would be established.

Farms that are for sale could be identified by the committee and a leading successful farmer, who is appointed as mentor or co-investor to acquire new land together with a qualified beneficiary. The beneficiary should be selected only by the land reform committee to ensure a good working relationship.

In acquiring the farm, the state can contribute 30% of land value in grant money to the beneficiary. Another 30% can be a loan from the state-owned agricultural bank in the name of the beneficiary and farmer, and the remaining 40% will be a cash contribution by other farmers in that particular district.

The contributing farmers would then be exempted from future land reform claims and the farm could be operated via the farmers' existing operation to ensure success.

A subsidised interest rate would need to be provided by the state-owned agricultural bank for the loan, and backed by a state guarantee in the spirit of risk sharing.

**BENEFICIARY SELECTION MUST BE FAIR AND TRANSPARENT**

If farmers in districts work together and ensured that at least 30% of land in each district is transferred to black farmers and thereafter utilised productively, land expropriation without compensation would not be necessary. Agribusinesses and commodity organisations would also have to provide post-transfer support and mentorship to new beneficiaries.

This can be done only if there is fair and transparent beneficiary selection, grants and loans are disbursed quickly, title deeds are transferred and registered speedily, government shares in the risk of redistributing land and developing new farming operations, and there is policy stability.

One of the most enduring and fundamental factors in the land reform debate is the trust deficit between government and the private sector. Trust needs to be built to ensure the success and sustainability of the land programme and the agriculture sector.

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