

## SUBMISSION

To the PORTFOLIO COMMITTEE ON AGRICULTURE AND LAND AFFAIRS.

3 JUNE 2003.

### Introduction.

This submission is made by the Land For Peace initiative. Since embarking on a land reform initiative in Hartbeespoort, North West province in 1998 a network of landowners and individuals from the private sector has evolved nationally. The thread that has continued to drive this initiative is the growing conviction that the private sector and landowners in particular have to become involved in land reform in SA. Interactions with DLA, land reform NGO's, academics in SA and Zimbabwe and many other land owners have given consistent support and have helped shape our growth and direction. As we are in the process of establishing a formal not for profit organization this submission is the responsibility only of its author, Roger Roman. Hopefully it reflects the wisdom, experience and energies of all those who have contributed to the hope and conviction that drive it.

### The Role of the Private Sector in Agricultural Development.

All agriculture and related development efforts in South Africa take place today within an environment strategically changed by the recent land reform process that has unfolded in Zimbabwe. Whatever political processes have accompanied that land reform process should nor deflect us from recognizing that the national agendas of many Southern African states have been irrevocably realigned. This is particularly true for South Africa and Namibia where colonial, racially determined land ownership systems still remain largely intact. In both states the pressure for fast track land reform has intensified in the hearts, minds and expectations of the landless and homeless. In South Africa at least the increased pressure has exposed the deficiency of our current national effort.

### Status Quo in South Africa.

In 1994 the new South Africa inherited its landownership legacy reflecting that 87% of the land was owned by the white minority of about 13% of the population. Today nearly a decade later the figure still exceeds 80%. There is nearly complete unanimity among the stakeholders in land reform in SA that fundamental change is needed, as the status quo is unsustainable. There is similar consensus that the current national effort is inadequate. There is a lack of consensus, however, on two key issues, namely whose responsibility land reform is, and a better alternative.

Essentially the three core stakeholders in this process are those who currently own the land, those who don't, and the government. In South Africa the landowner stakeholder has not accepted its co-responsibility, largely leaving it to the other two stakeholders to sort out, whilst seeking to benefit from the constitutionally underpinned willing buyer/willing seller or market based land reform programme. Both the private landowners and the corporate sectors that depend on landownership in South Africa have collectively abandoned their own responsibility and shifted the private sector involvement squarely onto the backs of the farmers and the agricultural sector alone. The inevitable consequences of this concentration of national pressure for land reform into one sector alone are an intolerable burden. Repeated calls from the agricultural sector, particularly AgriSA, and from government and the representatives of the landless peoples for comprehensive landowner involvement in the processes of land reform and rural transformation have been met with overwhelming silence.

### Role of Private Sector in Agricultural Development.

It is the fundamental thesis of this submission that the key factor required to break the current logjam is precisely the subject of the Portfolio Committee's mandate, namely the role that the private sector plays in agricultural development. The core of that role needs to be a collective and proactive participation by the private sector in national land reform, thereby releasing the agricultural sector from its intolerable burden and enabling it to develop to its fullest potential. Agricultural development on a national scale cannot be contemplated without strategic attention to transformation of the prevailing land ownership patterns and practices. Similarly, land reform without sustainable agricultural development is a recipe for national social and economic decline.

The private sector that needs to stand together with the agricultural sector in tackling land reform includes a wide range of components. The forestry and mining sectors are as rural based, as landownership dependent and as responsible for land reform as the agricultural sector. The downstream sectors of these three primary sectors include paper and pulp, furniture manufacturing, food processing, large parts of the chemicals and minerals processing sector, through to retail and distribution. The banking sector that in reality owns substantial percentages of the land (farmers are notoriously skilled at spending the bank's money!) the property sector, the estate agents and others involved in the buying and selling of land have as much vested interest in the land generally, and agricultural land in particular, as any of the primary sectors. Private landowners who own land alongside the farms for residential, tourism, investment or any other purpose are core stakeholders too. The churches that collectively constitute the largest single landowner group after the state itself have a crucial role to play in land reform. For the churches and the private landowners participation in the national land reform effort creates the opportunity for those who derived their landownership benefits from a crime against all humanity to contribute meaningfully to the national reconciliation processes. In contemplating the future of rural South Africa and agricultural development we cannot ignore the need for human reconciliation on the farms. Current landownership patterns stand in the way of rural reconciliation and peace. Transforming these is fundamental to building the partnerships needed for sustainable agricultural development.

### Consequences of Current Private Sector Role.

If the current private sector response to the calls for it to become a partner in land reform are maintained what consequences can we predict?

The other two core stakeholder groups will be left to sort it out between them. International experiences consistently highlight that the most effective method available to the landless people to speed up land reform is to use organized land invasions/occupations to force government into legislative and other actions. Court battles are inevitable, rising tensions between the landowners whose land is occupied, the occupiers and the government is inevitable. The dispute on land owned by a Mr. Duvenhage near Benoni is a classic example.

Simultaneously, the already heavy burden of land reform on the agricultural sector will become ever heavier until it is intolerable. Symptoms are already evident in high levels of violence on farms involving both farmers and farm workers. Rural security will worsen. Agricultural productivity will decline, new investment will dry up, and the value of agricultural land will decline. If agriculture continues to be left to carry the full responsibility of the private sector for land reform in SA the pressure will eventually destroy much commercial agriculture and will threaten food security. To “pressure cooker” the agricultural sector in this way will threaten the nation’s ability to feed itself. The current lack of private sector involvement is a strategic threat to the stability and viability of this country. We are collectively heading toward suicide.

Another predictable consequence of the current situation is it guarantees that the frustration of the landless millions in South Africa will find increasing political expression. With a general election next year there is no doubt that the land reform issue will be central to the election. The pressure will increase.

What are the consequences to the landowners and private sector themselves of continuing their current levels of participation? As time passes and the pressures grow the private sector will become increasingly seen as being hostile to progress, a barrier to economic liberation, and as racist and reactionary. Their credibility as partners in transformation will evaporate and their chance to present their own interests will have gone. Their lack of voluntary participation when they still had the choice will result in their interests becoming ignored. In the process the value of their property in market terms will decline. If the landowners expect a market driven process to be followed then they and the market in general cannot remain as spectators on the sidelines. Mute until their own interests are threatened, and silent in finding alternatives.

The consequences above are but a few of many. They combine into a predictable scenario of social, economic and national deterioration. If the private sector does not get involved urgently the consequences are clear. They lead inexorably to rising conflict, polarization, and ultimately to the resumption of armed conflict over land in South Africa.

Opportunity from threat.

If land reform is a strategic threat to rural SA and agricultural development it must logically also therefore contain within it the strategic opportunity. More precisely, the

threat does not lie in land reform itself, it lies in continuing with the current approach to land reform. The opportunity lies in changing our approach. The most recent conference of experts on land reform in South Africa took place under the auspices of the UN Food and Agricultural organization earlier this year. The core message emanating from it was the need for “new thinking” on land reform. The ideological differences, resource constraints, competing positions are acknowledged and real. What is required is a fundamentally new and creative response to the challenges posed to South Africa by Zimbabwe’s fast track land reform process. It is our submission that the process outlined below is both a creative strategic response to this challenge and constitutes the core of the role of the private sector in agricultural development.

### An Alternative Way Forward.

Below is a very broad outline of a process that can be followed to create a constructive and better alternative.

The private sector/landowners must organize themselves into a cohesive, credible and empowered presence to enable constructive participation in a partnership with government, the landless peoples and other stakeholders. To this end independent facilitation needs to approach the various subgroups and sectors to engage them in the process that unfolds.

This private sector initiative needs to respond constructively to the calls from the Landless people’s movement, the national Land Committee, political parties and other stakeholders for a Land Summit to negotiate a comprehensive agrarian transformation, and an inclusive process to achieve agreement and delivery.

The private sector partner is uniquely positioned and skilled to contribute to developing a national resource base to support and deliver sustainable agricultural and other economic transformation grounded in land reform. Resources needed include technology, knowledge and experience in farming, underutilized land available, enterprise support resources such as mentoring and technology transfer.

There is also a need to identify, record and replicate Best Practices in agricultural land reform in South Africa. Many examples of good and bad practice abound, but the collective learning from them needs to be formalized and made available for replication.

It is only through such a partnership between the essential stakeholders that the practice and system of land ownership in South Africa can be transformed to the sustainable benefit of all. The entire meaning and exercising of landownership has to be creatively revisited and redefined. Legislation including the property protection clause of the Constitution has to be aligned with the current realities of the South African situation. We need collectively to change what needs to be changed, and to again exhibit the national courage and vision to trust each other in a process of negotiation similar to that which created our new dispensation.

There is growing evidence that many landowners in South Africa are willing and even keen to embark on such a process and to contribute to a collective national effort. It is an absolute conviction in both the ability and the willingness of substantial numbers of landowners in SA to get involved that has drawn together the network of landowners and others whose shared experiences over the past 5 years have informed this submission. It is what has driven this network to adopt a more formal definition in a Not For Profit organization known as Land For Peace whose objectives are

essentially those outlined above. This initiative will be publicly launched this month with the purpose of helping facilitate the evolution of effective private sector participation in a national partnership for agrarian transformation. The purpose of this submission is to inform the Portfolio Committee of this initiative, to outline the reasoning that has given rise to it, and provide some idea of the role we intend to play in engaging the private sector. It is our hope that in so doing we are able to work with the Committee and with the other participants in its deliberations and outputs.

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