

Land beneficiaries need support
Reform process fails to fill this development gap

By Siphe Zantsi

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After nearly three decades of attempts at the implementation of post-apartheid land reform neither the implementers nor the citizens are satisfied with the progress thus far. Among the numerous reasons given to account for the poor progress is the lack of adequate and quality post-settlement support for the beneficiaries. SIPHE ZANTSI unpacks these deficiencies in the existing support system for land reform beneficiaries and suggests improvements.

Introduction

Land reform is one of the most controversial topics in South Africa's policy and political space. Equitable land redistribution accompanied by equal access to economic resources for a wider range of population groups can have a positive impact on poverty reduction and economic growth (Deininger *et al.*, 2009). However, one of the prerequisites to achieve this is well-structured high-quality post-settlement support. Unfortunately, this seems to be lacking in the implementation of South African land redistribution policy. What then constitutes well-coordinated support, what form will it take – and why does it matter?

What is effective and efficient beneficiary support?

Denison *et al.*, (2009) Aliber, (2019) and Vink & Kirsten, (2019) suggest that a successful support mechanism should include the following characteristics:

- It should be tailored to meet beneficiaries' needs;
- It should have a clear objective and appropriate design;
- There must be a definite period of support;
- Support must be managed efficiently (mostly independently of the state);
- There should be a single fund for all beneficiary support.

While numerous authors (see Binswanger-Mkhize, 2014; Aliber, 2019; Vink & Kirsten, 2019) have identified the lack of an appropriate funding plan as a crucial deficiency, few detailed alternative suggestions have been documented. Conradie (2019) documented a workable budget for a municipality in the Karoo, but this was too localised to be applied to the country as a whole. The Land Reform Advisory Panel has focused only on how to mobilise funds for financing land

reform and not how to use the existing resources efficiently to finance land redistribution.

Why do land reform beneficiaries need to be supported?

Land reform needs to be funded from the public purse because it is an act of correcting past injustices – policies that suppressed other racial groups in favour of the white minority. Land reform beneficiaries tend to be from previously disadvantaged racial groups, are mostly poor and therefore cannot afford to acquire land and finance production themselves (Binswanger-Mkhize *et al.*, 2009). Section 25(5) of the Constitution places an obligation on the state to “take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis.”

How are land reform beneficiaries currently supported?

While there is an array of small-scale agricultural funding programmes, one that specifically targets land reform beneficiaries is the Comprehensive Agricultural Support Programme (CASP). CASP was designed in 2003 following the 1996 release of the recommendations of the Strauss Commission into the provision of rural financial services to provide comprehensive support for small-scale agriculture. It was launched in 2004 in KwaZulu-Natal by Minister of Agriculture Thoko Didiza (Department of Agriculture, 2004).

Although CASP initially targeted land reform beneficiaries, support was later extended to other categories of smallholder farmers. CASP served as a one-stop shop for support for emerging farmers, modelled on the Development Bank of Southern Africa as a Financial Services Provider. It aimed to provide the following (Business Enterprises, 2015):

- Information and knowledge management;
- Technical and advisory assistance, and regulatory services;
- Marketing and business development;
- Training and capacity building;
- On- and off-farm infrastructure and production inputs; and
- Financial assistance (as the Micro Agricultural Financial Institutions of South Africa [Mafisa] programme).

CASP plays an important role in supporting land reform beneficiaries but it is haphazard and needs improvement to render adequate and effective high-quality post-settlement support. To achieve this we need to know who the exiting farmers are and their farming operational plans, and also must have some detailed information about the potential land redistribution beneficiaries.

Challenges facing current land reform beneficiary support

Firstly, as resources are severely limited (less than 1% of the country’s budget is allocated to land reform every year by the National Treasury), prioritisation and strategic budgeting are key. Groenewald (2004:679) states, successful

management and execution of the programme will be dependent on the identification of priorities”.

Secondly, one of the flaws of South African land reform is that the budget allocated is not aligned with planning (Aliber, 2019). It is difficult to estimate the extent to which emerging farmers can be financed from the limited funding allocation as there is little data and information available on the number of emerging farmers and how much financial support each would need from the available budget for land reform.

Thirdly, Aliber (2019) has underscored the lack of a definite funding period for post-settlement support. Currently, there is no specified period of support for each beneficiary and they could be supported indefinitely. Sometimes the government supports the same beneficiaries at the expense of others, which is unfair and inefficient. Given that less than 1% of the nation’s annual budget is dedicated to this process, fair and efficient distribution of funding is essential. Much more could be achieved if each beneficiary is funded for a specific period.

Fourthly, there is a top-down approach in determining what inputs and machinery beneficiaries need and how much they should get. One of the consequences of this approach is that the development of management skills among beneficiaries is not encouraged. In an independent assessment of CASP, Business Enterprises (2015) has recommended a one-stop shop for land redistribution beneficiary support. >>

Vink and Kirsten (2019) have also recommended “tightly coordinated support for land reform beneficiaries”.

The existing funding approach assumes that all emerging farmers require the same amount of support. Support is allocated when beneficiaries have already been allocated farms.

Funds are not allowed to be released earlier, which delays support. If such data could be captured from the exiting commercial farmers (with regard to farms that are bought by the government for land redistribution), data for the production capacity of these farms could be used to determine the production costs facing the new emerging farmers. This is similar to the way that the production plans of the redistributed farm have been provided to the new owners (see Anseeuw & Mathebula, 2008:44). The costs of purchasing farms could also be worked out beforehand for planning purposes, for each farm type, e.g. grazing land, irrigated arable land, using the guideline provided in Middelberg (2014).

How can support be improved?

Firstly, prior planning and budgeting is key to effective and efficient post-settlement support. Detailed surveys of potential land reform beneficiaries have indicated that not all beneficiaries require the same type of support.

Some beneficiaries need operational support to cover production costs while others need only access to land. If the government could embrace the different kinds of support required by emerging farmers, funds would be allocated to

those in need more efficiently.

Further, a five-year funding period seems sensible. This has been the practice in previous related programmes, for example the Massive Food Production Programme that aimed to commercialise smallholder maize farmers in the Eastern Cape (see Tregurtha, 2009). This would ensure that each beneficiary is given a fair chance to become a successful farmer. It should be accompanied by proper record keeping and a database of supported beneficiaries could be established, which could be published to avoid double dipping.

This would address the problem of government resources on land reform support being channelled to the same beneficiaries (Mtero *et al.*, 2023).

Moreover, a one-stop shop funding system should be designed, where both land acquisition and production support are issued in the form of vouchers to be used in agricultural retail stores. This could be categorised into input and machinery vouchers. In addition, beneficiaries could be given limited amounts of cash to pay labourers.

Finally, a database of all land reform matters and beneficiaries, recording the acquired land, redistributed land and the supported beneficiaries, will go a long way to ensuring efficient and effective support. This could be developed and managed by the Land Reform and Agricultural Development Agency, proposed by President Cyril Ramaphosa in his 2021 State of the Nation Address.

Kirsten and Sihlobo (2021) echoed this view, saying such an agency would ideally bring about national coordination, reduce red tape and provide a one-stop shop to lodge issues arising from decentralised redistribution of agricultural land. To be effective and efficient more attention must be paid to record-keeping and transparency.

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