

Where are we with land reform?

 By [Nicci Botha](#)

27 Sep 2019

Agricultural economist, Wandile Sihlobo says that come April 2020, the proposed change to the Constitution to allow land expropriation without compensation (EWC) may not happen.



Wandile Sihlobo

"My sense is that it won't be a given that the Constitution will change. We don't want a Zimbabwe or Venezuela, the realities are starting to kick in. There has already been a shift in the ANC view point that EWC must not be detrimental to foreign investment," he told the Momentum Consult Fusion 2019 conference recently.

"When it comes to changes to Section 25 of the Constitution, it will depend on the vote. The ANC needs to get 66%. It therefore needs an alliance, but none of the parties see land reform with the same eye.

"If Section 25 is change, there is still a lot of procedural stuff to do, which will take a minimum of three to four years. What will this do to growth? And the social unrest we are seeing now will continue, because the people on the ground aren't seeing change," he said.

The rationale behind land reform is restorative justice and economic growth. "It is important to reconstruct and unite South Africa, but simply taking land from a white guy and give it to a black guy won't create jobs or grow the economy," he said.

“How do we grow the cake without dissecting it?” he asked.

Looking back at land reform

Part of answering this question is to look at the history around land reform. Sihlobo is part of an advisory panel doing just that. Although the Land Act of 1913 is generally taken as the starting point, dispossession goes back further than that. “Think back to 1600s. There were a number of dispossessions prior to 1913.”

Sihlobo pointed out that there are also lessons to be learned since democracy. From 1994 till 2007 there was relatively little market disturbance and the state bought land from willing sellers at market value. But this model was poorly implemented and there was very little progress. In addition, ownership of the land acquired by the state was not always transferred to beneficiaries.

“Research shows that the government only transferred 21% of the land acquired from 1994. What was happening was that the beneficiaries were selling the land back to the white guys, because if you don’t give proper post-transfer support, the land can’t be farmed properly.”

In 2007, the ANC conference resolved to abandon the willing seller, willing buyer concept for expropriation with just compensation. “The decision was made but never followed through,” Sihlobo said.

“Then in February 2018, the EFF raised motion of changing the Constitution to support expropriation without compensation, and the ANC said ‘let’s see what needs to be done’,” he said.

Despite this uncertainty, 2018 was the best farming year to date, except in the Western Cape which experienced a drought. “The food sector is still on a solid footing, but overseas investors are asking about land reform, and aren’t willing to invest until sorted out,” Sihlobo said.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

- #WomensMonth: Prudential's Leshni Dial-Harikaran on the beauty of a perfectly balanced spreadsheet - 10 Aug 2021
- #WomensMonth: MWay's Mbogadi Kekana on the importance of financial independence - 6 Aug 2021
- #WomensMonth: Mamedupi Matsipa's passion for finance charted her career path - 5 Aug 2021
- #WomensMonth: Standard Bank's Simone Cooper asks, "How does your business grow?" - 4 Aug 2021
- #WomensMonth: Twané Wessels, product actuary at Just SA - 2 Aug 2021

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>