LAND REFORM
FUTURES

Four scenarios for land reform in South Africa
WHY AND HOW WERE THESE SCENARIOS DEVELOPED?

The scenarios were developed to trigger an open and constructive search for strategic responses to the future of land reform.

THE SCENARIOS TEAM
The scenarios team consisted of 40 people with widely differing perspectives: policy makers and administrators, traditional leaders, communal property institution (CPI) leaders, activists, business people, academics and consultants.

*The team’s discussions took into account the views of over 100 people about land reform.*
THE SCENARIOS TEAM ASKED ITSELF ...

Can land reform be accelerated? Will it produce equitable outcomes? Whose interests will be served? Will it improve or undermine food security? What will be the impact on South Africa’s young democracy? What are the alternative scenarios?

AND ASKED ...

“If we stop trying to persuade one another about our point of view, could we agree on alternative futures for land reform?”
SCENARIOS ARE NOT FORECASTS OR PROPOSALS

Because scenarios are stories - that is, fictions - they support informed debate without committing anyone to any particular policy position. They enable us to deal with the fact that, while we cannot predict or control the future, we can work with and influence it. They are about what could happen in the future, not about what will happen (forecasts) or what should happen (proposals).
THE PROCESS STARTED BY SKETCHING CERTAINTIES AND UNCERTAINTIES ABOUT SOUTH AFRICA IN 2030

THE TEAM WAS REASONABLY CERTAIN THAT ...

• high levels of poverty and inequality will persist

• natural, financial and human resources will be constrained

• institutional weakness and corruption will continue

• the dry El Nino weather cycle will have long-term consequences.
UNCERTAINTIES WERE CAPTURED IN UNANSWERED QUESTIONS

• How will the political landscape unfold?
• When will economic growth pick up?
• How might patterns of land use and tenure change?
• Will it be possible to develop a common vision for land reform?

THE FOUR STORIES DESCRIBE HOW SOUTH AFRICANS MIGHT RESPOND TO THE CHALLENGES THAT LAND REFORM PRESENTS

1. CONNECTION AND CAPTURE
   “A story of land as power”

2. MARKET POWER AND CONCENTRATION
   “A story of land as a productive asset”

3. OCCUPATION AND CONFISCATION
   “A story about taking back the land”

4. HARD BARGAINING AND COMPROMISE
   “A story about sharing the land”
ALL OF THE SCENARIOS START IN 2016 AS SOUTH AFRICA FACES MOUNTING CHALLENGES

<table>
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<tr>
<th>ECONOMIC, POLITICAL AND SOCIAL PRESSURE IS RISING</th>
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<tr>
<td>• Economic growth is slow.</td>
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<td>• Poverty and inequality cast a shadow over the young democracy.</td>
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<td>• The ruling party is under rising political pressure.</td>
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<td>• Businesses are in decline, with farming particularly hard hit.</td>
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<td>• The rural poor struggle to secure the necessities of life in the face of severe drought and water shortages.</td>
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<th>LAND REFORM PROMISES MORE THAN IT DELIVERS</th>
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<td>• Expectations are rising on the back of government promises to accelerate and expand land reform.</td>
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<td>• Much of the rural land that has been transferred is not benefitting the new owners.</td>
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<td>• Failures in agriculture intensify worries about food security.</td>
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Returns land to those who can show historical dispossession or compensates them financially.

Improves tenure for people living in communal areas and on farms.

Provides land to black South Africans who want to use the land productively.

Communal property institutions are typically communal property associations or trusts established to hold land on behalf of groups of people who benefit from the land reform programme.
SCENARIO 1: CONNECTION AND CAPTURE

“A story of land as power”
THIS IS A STORY ABOUT LAND REFORM BEING CAPTURED BY POLITICALLY CONNECTED INTEREST GROUPS WHO BENEFIT AT THE EXPENSE OF ORDINARY PEOPLE.
SCENARIO 1: CONNECTION AND CAPTURE
“A story of land as power”

How does connection and capture happen?

THE STORY UNFOLDS IN THE CONTEXT OF...

- harsh economic conditions
- rising power of traditional leaders
- weak communal property associations and other institutions
- growing political pressure on the ruling party.
POLITICAL PRESSURE DRIVES A SEARCH FOR ALLIES

• Following losses in the 2016 local government elections, the ruling party moves to increase its support ahead of the 2019 election.

• Traditional leaders gain more control of land in communal areas, which indirectly strengthens the ruling party’s support in these areas.

• The number of new restitution claims exceed expectations and include large pre-1913 claims from royal families and Khoisan communities.

How does connection and capture happen?
How does connection and capture happen?

POLITICAL CONNECTIONS AND WEAK INSTITUTIONS ENCOURAGE SELF-SERVING BEHAVIOUR

• In 2019 the ruling party survives the challenge to its power, thanks to support from traditional leaders.

• Some traditional leaders use their power to develop their people; others choose to benefit themselves.

• Some leaders of trusts and communal property associations do deals that benefit themselves and enrich commercial partners.

• The lack of transparent procedures in the redistribution programme allow the well-connected to benefit.

• The government seems to be unable to hold the beneficiaries of land reform to account.
Where does connection and capture lead by 2030?

LAND REFORM HAS BEEN LARGELY CAPTURED BY THE WELL-CONNECTED

- There is a sense that the powerful are entitled to exploit the system for their own benefit.
- The winners are those who hold power and broker deals.
- The losers are ordinary people outside the networks of patronage.
- There is very little tenure security for rural households and women remain particularly disadvantaged.

2030
Where does connection and capture lead by 2030?

THE LAND IS USED FOR THE BENEFIT OF THE FEW

- In communal areas land previously used for crops is now used for communal grazing.
- Communal property institutions are involved in disjointed production.
- The redistribution programme has spawned mining and other deals that scar the landscape.
- Large commercial farms increasingly dominate the countryside and water resources remain scarce.
SCENARIO 1: CONNECTION AND CAPTURE
“A story of land as power”

Where does connection and capture lead by 2030?

SOUTH AFRICA IS POLARISING

- Polarisation is increasing along ethnic lines.
- The anti-corruption movement is growing but doesn’t have much effect on election outcomes.
- Towns and cities become more densely populated and rural areas are economically in decline.
SCENARIO 2: MARKET POWER AND CONCENTRATION

“A story of land as a productive asset”
SCENARIO 2: MARKET POWER AND CONCENTRATION

“A story of land as a productive asset”

IN THIS STORY, LAND REFORM CHANGES THE RACIAL PROFILE OF CONCENTRATED COMMERCIAL FARMING WITHOUT BROADENING OWNERSHIP TO SMALL FARMERS AND LOCAL COMMUNITIES.
SCENARIO 2: MARKET POWER AND CONCENTRATION
“A story of land as a productive asset”

How does market power and concentration develop?

THE STORY UNFOLDS IN THE CONTEXT OF...

- slow growth, deepening poverty and rising inequality
- declining public resources
- rising pressure on the government
- dwindling support for the ruling party
- growing demands from an expanding urban population.

FISCAL CONSTRAINTS AND RISING URBAN PRESSURE FRUSTRATE ATTEMPTS TO ACCELERATE LAND REFORM.
How does market power and concentration develop?

PRIVATE INITIATIVES LOOK LIKE A WAY OUT FOR THE GOVERNMENT

• Surveys show that more land has been transferred to black farmers through the market than previously understood.

• Community private partnerships are showing good results.

THE GOVERNMENT MOVES TO EXPAND THE ROLE OF THE PRIVATE SECTOR IN LAND REFORM

• Incentive packages are developed to encourage partnerships.

• Support programmes are set up for black commercial farmers.

• Mechanisms are developed to draw private finance into the land reform programme.
Where does market power and concentration lead by 2030?

By 2030 the target of transferring 30% of commercial farmland to Black South Africans has been achieved:

- Black South Africans own about half of the country’s commercial farms.
- Commercial partnerships and shareholding schemes take centre stage on rural land.
- More than 50% of forestry and sugarcane production is controlled by communal property associations and trusts.
Where does market power and concentration lead by 2030?

**THE STRUCTURE OF AGRICULTURE HAS NOT CHANGED**

- The number of commercial farms has reduced to 20,000 (from 40,000 in 2016).
- Smallholders struggle to get a foothold with limited support.
- Communal areas remain neglected by state support.
Where does market power and concentration lead by 2030?

CITIES TAKE CENTRE STAGE AND THE FOCUS ON LAND REFORM DECLINES

- Over 70% of the population lives in or near cities.
- Household food security remains a problem for the poor.
- For many the ‘Land Question’ has not been resolved.
- A young generation is growing up hungry, landless and marginalised on urban fringes and in rural areas.
- The threat of conflict remains.
SCENARIO 3: OCCUPATION AND CONFISCATION

“A story about taking back the land”
THIS IS A STORY ABOUT THE ILLEGAL OCCUPATION OF LAND EVENTUALLY LEADING TO CONFISCATION WITHOUT COMPENSATION, MADE POSSIBLE BY A CHANGE IN THE CONSTITUTION.
How does occupation and confiscation happen?

THE STORY UNFOLDS IN THE CONTEXT OF...

- slow growth, deepening poverty and rising inequality
- declining public resources and rising pressure on the government
- dwindling support for the ruling party and an expanding urban population.
How does occupation and confiscation happen?

• The action is driven by landless people and the idea that land is a symbol of dispossession under colonialism and apartheid.

• The winners are those who occupy the land and have that occupation legitimised as confiscation without compensation.

• The immediate losers are those whose land is occupied and confiscated.
How does occupation and confiscation happen?

INACTION BY LEADERS ACROSS SECTORS HEIGHTENS THE FRUSTRATION OF THE POOR

• Leaders from government, business and civil society blame one another for harsh social and economic conditions and the poor results of land reform, but fail to act decisively.

• Deepening hardship and hunger create the impetus for the growth of landless people’s movements.

• There is a countrywide campaign of land invasion and occupation.
How does occupation and confiscation happen?

THE RULING PARTY SIDES WITH OPPOSITION PARTIES TO CHANGE THE CONSTITUTION

• The government fears anarchy.

• Following its 2022 conference it sides with opposition parties to amend the Constitution.

• The illegal occupation of the land is ratified as confiscation without compensation.

• Court challenges prove futile.

• Investment dries up and commercial farming starts to collapse.
THE POLITICAL MANOEUVRE BACKFIRES

- Opposition parties are given credit for transforming land ownership.
- The ANC deal to change the Constitution backfires and it loses the 2029 election.
- 60% of commercial farmland is now in the hands of black South Africans.

How does occupation and confiscation happen?
WHERE DOES OCCUPATION AND CONFISCATION LEAD BY 2030?

LAND REFORM as a systematic state-driven programme has been overrun by popular movements who have driven land reform from below.

WHAT IS HAPPENING ON THE LAND?

• The land is in the hands of those who occupied it.
• Former farm owners who could do so have fled to other parts of Africa.
• On some farms production is virtually at subsistence levels, on others a surplus is still marketed.
• Agricultural infrastructure is collapsing.
• National agricultural production has plummeted.
• There is increasing reliance on imported food.
**SCENARIO 3: OCCUPATION AND CONFISCATION**

“A story about taking back the land”

Where does occupation and confiscation lead by 2030?

**WHAT IS HAPPENING IN THE COUNTRY?**

- There is no clear constitutional framework for dealing with land, nor policies for agricultural development that take account of the new reality.
- A new government comprising former opposition groups with competing views on land and agriculture is in power.
- Investment has dried up.
- The government is trying to raise money from its BRICS allies.
- A rising number of farm occupiers and many of the urban poor go hungry.
- The future is uncertain.
SCENARIO 4: HARD BARGAINING AND COMPROMISE

“A story about sharing the land”
SCENARIO 4: HARD BARGAINING AND COMPROMISE
“A story about sharing the land”

THIS IS A STORY ABOUT AN INCLUSIVE APPROACH TO LAND REFORM WITH A PRO-POOR ORIENTATION.
How does hard bargaining and compromise unfold?

THE CONTEXT CHANGES

• Poverty and inequality persist and growth is slow.
• Gradually global conditions ease.
• Social compacts between strategic partners pave the way for increased growth in South Africa.

IN THE BUILD-UP TO THE 2019 ELECTIONS THERE IS RISING PRESSURE ON THE RULING PARTY

• Public resources are declining.
• Leadership changes must be negotiated.
• A groundswell in the ruling party demands a change in direction.
SCENARIO 4: HARD BARGAINING AND COMPROMISE
“A story about sharing the land”

How does hard bargaining and compromise unfold?

FOLLOWING THE ELECTIONS NEW LEADERS BRING A NEW APPROACH

• With reduced support the ruling party moves to share the burden of governance.

• Building a fair and prosperous country is not just a task for the government; all citizens must be enabled to play their part.

• The Minister of Rural Development and Land Reform moves to work in partnership with big and small farmers, land reform beneficiaries, civil society organisations and financiers.
How does hard bargaining and compromise unfold?

HARD BARGAINING AND COMPROMISES
UNCLUTTER THE POLICY AGENDA

• Incentives are negotiated to get private landowners, financiers, NGOs, local communities, universities, input suppliers and retailers to support land and agrarian reform.

• Small-scale farmers are supported by public and private organisations.

• Ceilings on farm sizes are retracted as the Subdivision of Agricultural Land Act is repealed.
How does hard bargaining and compromise unfold?

HARD BARGAINING AND COMPROMISES UNCLUTTER THE POLICY AGENDA

- Unused freehold land is taxed and uncompetitive behaviour controlled.
- Standard settlement offers (part cash and part housing) are negotiated for claimants seeking cash settlements.
- Land acquisition is accelerated by providing just and equitable compensation without undermining agricultural productivity.
NEW RELATIONSHIPS START TO BEAR FRUIT, BUT OPERATING CONDITIONS REMAIN DIFFICULT

• District land reform committees start to identify land for redistribution. They monitor compliance with the AgriBEE Charter and farmworker evictions.

• 5 000 black small-scale farmers enter formal supply chains. 150 000 continue to supply informal markets.

• Unreliable rainfall places dryland agriculture under pressure. Maize production declines.
NEW RELATIONSHIPS START TO BEAR FRUIT, BUT OPERATING CONDITIONS REMAIN DIFFICULT

• The demand for commodities rises, agricultural commodity prices increase and food prices rise.

• Exporters benefit, but the weak rand increases the price of imports and accelerates the drive to mechanisation and increased concentration.

• The courts support the right of communities to select the tenure options that suit them, but banks decline to accept communal rights as collateral for loans.

How does hard bargaining and compromise unfold?
Where does hard bargaining and compromise lead by 2030?

- Land reform has become a shared responsibility among a wide range of actors supported by an enabling state committed to pro-poor land and agrarian reform.
- On the land there is a greater diversity of land holding and land use.
- Land rights are clearer and partnerships are developing to include small landholders, commercial farmers and active citizens.
- Different scales of agricultural production are evident around the cities and in rural areas.
- Forty per cent of agricultural land outside the former homelands is black-owned.
Where does hard bargaining and compromise lead by 2030?

As a country South Africa is benefiting from improved growth and greater cooperation as it faces continuing challenges:

- The growth rate has moved up to 3.5%.
- 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.
- Food security remains fragile at both national and household levels.
- The stage is set to tackle the security of tenure for farmworkers and backyard shack dwellers, the proliferation of informal settlements, and the development of communal land.
HOW CAN THE SCENARIOS BE USED?

LAND REFORM FUTURES: FOUR SCENARIOS FOR LAND REFORM IN SOUTH AFRICA
HOW CAN THE SCENARIOS BE USED?

THESE SCENARIOS ARE DESIGNED TO STIMULATE DEBATE. THOSE WHO USE THEM MIGHT ASK:

• What are the challenges that each scenario poses?

• If these scenario occurred, what would it mean for us? What would we do?

• Given uncertain possible futures, where is the common ground and what are the differences?

• Who can we work with to encourage the future we want?
To read the full scenarios and download related material for your own use

visit www.landreformfutures.org