

DEPARTMENT OF LAND AFFAIRS

Land Reform and Black Economic Empowerment

By

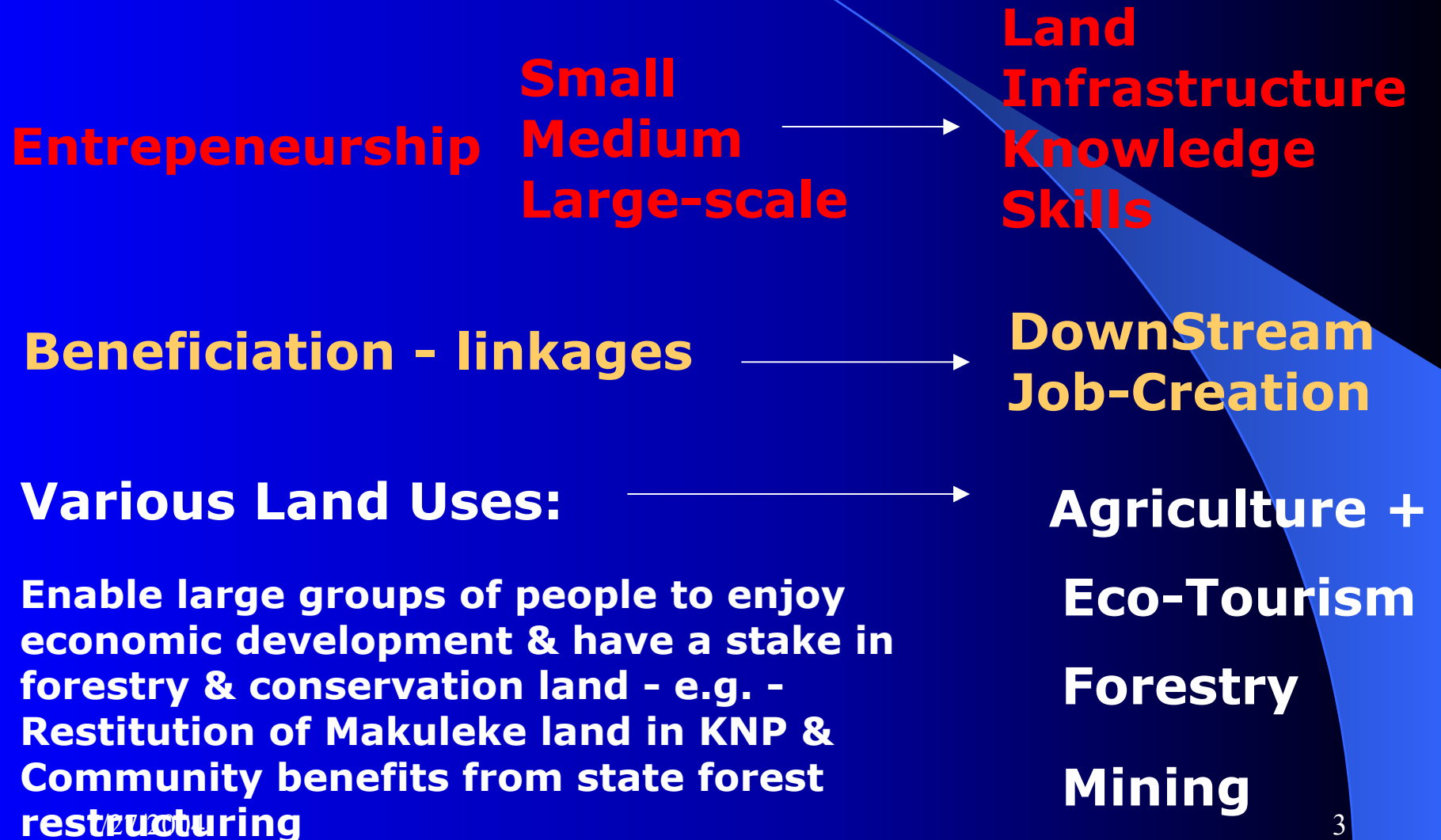
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Director General**

Land Reform

- **A systematic process characterized by a series of interventions to transform patterns of land ownership, utilisation, & tenure systems in a manner that empowers disadvantaged sections of the society.**
- Land Reform is one aspect of rural development
- Recognized as a major driver of socio-economic development in SA
- Critical feature is that it gives the poor and previously disadvantaged the opportunity to have an important asset

Land Reform

Black Economic Empowerment



POLICY FRAMEWORK

- Constitution of the Republic of South Africa (Act 108 of 1996)
- White Paper on SA Land Policy
- Laws passed since 1994
- Ministerial Statement of Feb 2000
- LRAD Policy

MAJOR LEGISLATION

- Restitution of Land Rights Act, 22 of 1994
- Provision of Land and Assistance Act, 126 of 1993 (as amended in 1994)
- Extension of Security of Tenure Act, 62 of 1997
- Land Reform (Labour Tenants) Act, 3 of 1996
- Communal Property Associations Act, 28 of 1996
- Communal Land Rights Bill (in formulation)

PROGRAMMES

- *Restitution*: to restore or compensate for rights in land lost through forced removal
- *Redistribution*: to respond to differing needs for land by the landless victims of apartheid in both rural and urban areas
- *Tenure Reform*: to upgrade insecure tenure arrangements currently restricting tenure security and investment opportunities of black South Africans, both in rural and urban areas
- *Market-based/negotiated strategy underpins implementation of all three programs*

PROGRAMS (CONTINUED)

- LAND REDISTRIBUTION FOR AGRICULTURAL DEVELOPMENT (LRAD)
- Key features:
- Provides Black South Africans with access to agricultural land
- Grants provided on a sliding scale from R20,000 to R100,000
- Production support and training provided by Department of Agriculture
- Loans provided by Land Bank in qualifying cases

POLICY PRIORITIES

- Redistribution of 30% of all agricultural land by 2015 (amounting to 24 million hectares)
- Finalisation of all Restitution claims by 2005
- Speedy disposal of State agricultural land
- Speeding up of processing of labour tenant claims
- Implementation of communal tenure legislation (CLRA)
- Improvement of quality of all land reform projects to ensure sustainability and effective beneficiation
- Ensuring real benefits for women and youth

LAND DATA

- Total size of land in SA = 122 million ha
- Total agricultural land = 101 million ha
- Total white-owned agric land = 82 million ha
- Total State land = 23,9 million ha (19.8% of surface); only 7% is arable 62 000 white farmers own 82% of all agricultural land, with an average farm measuring 2,700 hectares
- Most Blacks have access to only 5% of agric land mostly in former homelands, averaging 1.5 ha
- Blacks have accessed 3.3% of land in commercial (formerly white) farming districts since 1994

IMPLEMENTATION TRENDS

- RESTITUTION: Total = 79,693 claims
- Started in 1995:
- Total of 48 825 claims settled as at March 2004
- 27 000 claims outstanding
- More than 600 000 hectares delivered to 662307 individual beneficiaries
- About R1.1 billion spent on land purchase
- R3.8 billion spent on entire programme including financial compensation payouts

IMPLEMENTATION TRENDS (CONTINUED)

- REDISTRIBUTION: 1,9 million hectares redistributed as at 30 March 2004
- STATE LAND DISPOSAL: 770 000 hectares of agricultural state land disposed of since 1994
- When adding the total allocated through the Restitution Program the total is 3,3 million hectares.
- Total cost of the programme since 1994 = R4.5 billion

IMPACT OF LAND REFORM PROGRAMMES

Quality of life surveys (1998-1999 and 2001-2002) commissioned by DLA reflect the following

- Major findings include the following:
 - A. *Targeting of the most poor has taken place;*
 - The land reform programme has been successful in targeting a broad spectrum of the disadvantaged.
 - Almost 72% of land reform beneficiaries were from poor category.
 - Women headed households are at least proportionally represented in the land reform programme
 - Share equity schemes have great BEE potential

IMPACT OF LAND REFORM PROGRAMMES

C. Land reform in South Africa does have economic potential and this should be tapped into (LRAD Review).

- This review has shown that there are projects that have managed to generate significant profits, as well as individual households that are successfully engaging in agricultural production.
- High demand for LRAD projects demonstrates high interest in agriculture as a source of income generation and as a career
- The reports suggest that having beneficiaries make an own contribution, keeping numbers per project small, and relying on a more participatory and broader-based process at the local level are key determinants of economic success.
- Incorporating these elements, as well as others, particularly private sector participation, into policy could greatly enhance the rate of delivery and the economic success of the projects established in this process.

MAJOR CHALLENGES

- High cost of financing of the entire programme: what is to be done?
- Resistance by some landowners
- High demand for LRAD
- Finalisation of Labour Tenant cases
- Finalisation of State land disposal process
- Tapping into potential of Share Equity Schemes

MAJOR CHALLENGES (CONTINUED)

- Rural Restitution claims vis-à-vis 2005 target
- Demand for land for housing vs agricultural land
- Sustainability of existing projects
- Communal Land Rights Act (CLaRA): Implementation challenges
- Capacitation of local govt sphere

THANK YOU

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