



# DIE AFRIKANERBOND

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The Committee chairperson

## INVITATION FOR WRITTEN PUBLIC SUBMISSIONS ON THE REVIEW OF SECTION 25 OF THE CONSTITUTION AND OTHER SECTIONS

President Cyril Ramaphosa invited the Afrikanerbond to assist in unlocking the economic potential of South Africa. He said on 7 June 2018 *“Now, as we work to build an inclusive society, we look to the Afrikanerbond to play its part in unleashing the economic potential of all the people of this country.”*

We have been working on our submission for some time and some of the other quotes from the speech by President Ramaphosa are addressed in our attached submission.

President Ramaphosa said amongst others at the Afrikanerbond Centenary Celebrations - 7 June 2018:

*“Laat ons saam die toekoms van hierdie land beplan en bepaal. Laat ons saam die vrede van hierdie verskeurde, tragiese, verdeelde Suid-Afrika soek.”*

*“If well handled, land reform will help bind the nation together and produce benefits for everyone. If badly managed, it will simply re-distribute resentment, damage the economy and destroy social peace. If not undertaken at all, the country will remain divided at its heart.”*

*“By the same measure, all those who need land, whether to build a house or to run a business, should be equally able to have title to land in well-located parts of our towns and cities.”*

*“It is our responsibility to unlock the economic value of the land. It is our collective responsibility to deal with and reduce poverty and inequality.”*

On 13 April 2018 the Joint Constitutional Review Committee has called for written public submissions on the review of section 25 of the Constitution and other sections where necessary, to make it possible for the state to expropriate land in the public interest without compensation.

This came after the National Assembly in concurrence with the National Council of Provinces mandated the Constitutional Review Committee to propose the necessary constitutional amendments where applicable with regards to the kind of future land tenure regime needed. The committee invited written submissions from all stakeholders on the necessity of and mechanisms for expropriating land without compensation.

The deadline for written submissions is on 15 June 2018 but it is clear that there is little information on who owns what land in South Africa. In the absence of a credible land audit assumptions, counter-assumptions and false narratives are crafted based on incomplete information. We hope to give some clarity on this matter with our submission.

We are of the view that land reform is not handled with the necessary transparency, sensitivity and expertise, but is based on perceptions, misinformation and untruths which must be urgently corrected. Unfortunately, government over time elected not to address the causes of the many problems but to find culprits elsewhere. In this process, propaganda has been enthusiastically utilised, irrespective of the consequences and the further polarisation between communities.

The proposed changes to the constitution will in our opinion impact severely on property rights and will not just be limited to agriculture. It affects everyone in South Africa with property rights. This in itself is a dangerous threat to the pillars of our democracy.

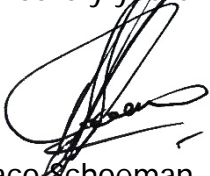
Unfortunately the last 24 years has shown little progress in rural development and land reform. It became a period of missed chances and many opportunities have been neglected because of political opportunism and failures by the responsible departments. This cannot be ignored.

We are of the opinion that there is still opportunity to mend the mistakes of the past. This will require a responsible approach to land reform and within the framework of the constitution and the current applicable Sections of the Constitution.

Our attached submission should be seen as a responsible attempt towards candid and informed debate within the context of the South African Constitution, and as a proposal to economic growth. No-one denies the need for land reform but it is the manner in which it is approached which will determine its eventual success. Our submission is aimed at bringing some sense into this debate.

The Afrikanerbond will appreciate an acknowledgement that our submission has been received and is willing to further engage the Joint Constitutional Review Committee with an oral submission.

Sincerely yours



Jaco Schoeman  
Chairperson of the Afrikanerbond

Date: 14 June 2018



# **Die Afrikanerbond**

## **Submission on the review of Section 25 of the Constitution and other sections**

### **THE STATUS OF LAND REFORM – 2018**

***Transformation of land is essential, but the process must take place honestly, sincerely and openly. The process must as far as possible take place outside the political sphere and not for political purposes.***

#### **BACKGROUND**

The historical events leading up to the present ownership of land cannot be ignored, but neither can they determine future action. When colonialism was established and black populations settled in the southern tip of Africa, the indigenous population consisted of the Khoi and the San. Besides the unoccupied land north of the Gariep, the colonialists negotiated with the black tribes in accordance with Western culture, and concluded treaties.<sup>1</sup> The agreement with King Dingane of the Zulus is well known, and Captain Findley (1870) recorded contracts which were later published in the *Grahamstown Journal*.<sup>2</sup> The colonial governments, as well as subsequent South African governments, described their actions in legislation and title deeds were issued, whereas the black population left no legacy of documentary evidence. With the dawning of the present constitutional dispensation, these aspects were taken into account and an opportunity was given for restitution within a framework as well as set periods of time, and the importance of land redistribution in terms of the Constitution was emphasised.

The succeeding SA governments did not handle the land issue with the requisite seriousness and in 1913, one of the most controversial statutes, **The Native Land Act of 1913 (No. 27 of 1913)** was enshrined in legislation. This Act designated 14,9% of the land in South Africa to the so-called black tribes. This 14,9% allocation of the land was based on the findings of the Lagden Commission which Lord Milner appointed in 1903 to determine the distribution of land between the black tribes and others. Homelands were identified and successive SA governments endeavoured to carry out a policy of separate development or Apartheid as it was colloquially known. As long ago as in 1916, Judge Beaumont had said that this policy was not feasible. Nevertheless, the successive SA governments attempted to carry out this policy, but it did not keep pace with urbanisation and black South Africans' rejection of the policy. The policy was revoked in the 1980s. Land reform was one of the main items on the agenda at CODESA.

The present Government's inability to finalise land reform in the spirit of the negotiated settlement has now turned this issue into a political football. The issue is now getting out of hand;. The mere fact that the talks about land and the attempt to amend the Constitution are based on a new racial foundation, and untested allegations and misinformation, are cause for concern about the motive for the amendment of the Constitution and it could have far-reaching consequences.. Advocate Mark Oppenheimer<sup>3</sup> commented in 2016 that land and land reform

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<sup>1</sup> . Louis Changuion & Bertus Steenkamp (2011). *Disputed Land. The Historical Development of the South African Land Issue*, 1652-2011.

<sup>2</sup> . Capt A.F. Findley (1873). *Adamantia. The Truth about the South African Diamond Fields*.

<sup>3</sup> . Mark Oppenheimer (2018). *Six Myths about Land Reform that show the folly of meddling with the Bill of Rights*. Internet

were not the most significant challenges facing South Africa's population and Government. The more significant challenges included unemployment (25,8%), service delivery (23,1%), housing (9,6%), criminality (31,3), education (9,1%) nepotism (19%) poverty (10,4%), racism (9%) and lastly the redistribution of land (1,3%). It would be fatal to water down property rights and a gamble with food security – which is already under tremendous pressure – simply to solve social problems which could be solved through other channels and by good government policy.

Land reform was one of the main points on the agenda at CODESA and was already handled in a responsible manner there, offering sufficient power to any government to expropriate land responsibly if this was in the public interest – not in political interest, not on a racial basis and not by taking land away from one person to give it to another. Everyone is equal before the law and all citizens have the right to own property.

## **DISCUSSION**

The ANC alliance won the first democratic election in 1994 by 63% and the highly esteemed Constitution of the Republic of South Africa was adopted in 1996 as Act 108 of 1996. Property rights are protected in Sections 25 and 36, as a fundamental right, and thereafter it is provided that property (including land) may be expropriated for public purpose by a general law or subject to compensation. To amend Section 25 of the Constitution to provide for the expropriation of property without compensation will not constitute a "limitation" or "deviation" of fundamental rights but a "repudiation" of the fundamental right to property rights by citizens. Section 36 allows limitations of fundamental rights as long as the deviation is "reasonable and justifiable in an open democratic society based on human dignity, equality and freedom, taking into account all relevant factors, including:

- (a) the nature of the right;
- (b) the importance of the purpose of the limitation;
- (c) the nature and extent of the limitation;
- (d) the relation between the limitation and its purpose; and
- (e) less restrictive means to achieve the purpose.

Land transformation is and remains high on the agenda of the Government, and various plans, White and Green Papers, as well as legislation, have been adopted. Changuion<sup>4</sup> puts it as follows: *If there is one thing the government will be remembered for, it is the meetings, indabas, bush summits, and draft measures and plans. Plans have regularly been made and carried out partially or not at all.* At the 2017 NAMPO Congress, the Minister admitted that land reform was more complex than had initially been thought, because by 2017 more than 7 000 claims which had been submitted before 1999, had still not been finalised. The Minister emphasised that his task was being hampered or delayed by corruption, false claims, insufficient manpower, funds and the complexity of transferring land to communities. These failures cannot be remedied by twisting the Constitution. In the acclaimed Report of the High Level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change, (Mothlanthe Report of 2017) it is noted "that the Proactive Land Acquisition Strategy

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<sup>4</sup> Louis Changuion & Bertus Steenkamp (2011). *Disputed Land. The Historical Development of the South African Land Issue*, 1652-2011.

(PLAS) has widened the discretionary powers of the officials .... )but the distribution process appears to be narrowing and is showing signs of elite capture.”<sup>5</sup>

In the Afrikanerbond’s opinion, the SA Constitution and existing legislation grant the Government ample power to carry out land reform, but it believes that the rate of land reform could rather be ascribed to the lack of comprehensive support networks and financial restrictions (budgeting) than to inadequate legislation (legal framework). President Ramaphosa admitted at the recent land conference of the ANC that: “... *we need to acknowledge that the lack of progress in land reform can be attributed to a great extent to weaknesses in the institutions responsible for effective government and our policies.*”<sup>6</sup>

The Afrikanerbond holds the view that amendments to the Constitution is not necessary and that all South Africans have the opportunity within the Constitution and according to free-market principles to be among the world’s best agriculturalists. This exceptional spirit is one of the few positive remnants of the Mandela era, which did not fall prey to the racial polarisation that contaminated the cohesion and nation building of that era.

It can be noted from the credible land audit below how favourably land has already been distributed outside the political and governmental sphere. The government must use the power granted to it in section 25(3) of the Constitution to acquire land where necessary in terms of the existing legal principles. Advocate Oppenheimer<sup>7</sup> believes that the SA government should use section 25 (3): “... *particularly in relation to land that is unutilised or under-utilised. The lack of well-situated land for urban settlement remains a serious problem. Well-situated state-owned land needs to be made available for housing for the poor, and well-situated privately-owned land targeted for expropriation.*”

### **LAND AUDIT (WHO OWNS WHAT?)**

Ever since CODESA (1991), questions have regularly been asked about who owns what land, and the 1913 Act has been used as reference in discussions about this. This uncertainty has led to accusations back and forth about the theft of land and injustice. Requests to indicate who, when and where land was stolen went unanswered. The RDP (Reconstruction and Development Programme) set as its target the transfer of 30% of the land to black South Africans by 2014; and the goal of the NDP (National Development Plan) is that 20% of agricultural land must be redistributed per district by 2030. After that, South Africans ought to be finally freed from obsolete racially driven policies. Then sound market forces, excellence and the embracing of our non-racial Constitution could allow further land ownership to flourish spontaneously. Although the government has announced from time to time how much land has changed ownership, there has been no indication of how much and which land people (non-white) have bought on the open market. For more than 20 years it has been impossible to form a full picture. This gave rise to the insistence on a comprehensive land audit.

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<sup>5</sup> Report of the Panel on the High level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change, 2017, p.208.

<sup>6</sup> . Internet. <http://firstthing.dailymaverick.co.za/article.php?id=105649&cid=2018>

<sup>7</sup> . Mark Oppenheimer (2018). *Six Myths about Land Reform that show the folly of meddling with the Bill of Rights.* <https://www.timeslive.co.za/>.

There is still no comprehensive land audit covering all aspects of land and housing. The Department of Rural Development and Land Reform's 2013/2014 land audit relied on state ownership, whereas the 2017/18 land audit concentrated on individual ownership. For example, the 1,7 million transferred from the SADC Trust to traditional leaders was not taken into account. Both of these State audits were incomplete and left more questions than answers. In 2016 *Agri Development Solutions (ADS)* and *Farmers' Weekly* began doing a full audit of land reform.<sup>8</sup>

In spite of an ineffective frame of reference, the argument is maintained that the transformation of land is not really progressing, and that an amendment to the SA Constitution is essential to provide for expropriation without compensation. In fact, the NP government had already begun the transformation of land. In 1980 whites owned 73% of the land area, the black population owned 14% and the State owned 12%. After 20 years, in 2001, the Development Bank found that 44,08% of land belonged to the white population, 20,2% to the black population, 9,3% to the Coloureds, and 25,3% to the State.<sup>9</sup>

The ADS 2016 audit clearly shows how transformation has progressed since 1994. So much so that the ownership of land in 2016 is as shown in Table 1.<sup>10</sup>

**TABLE 1: LAND DISTRIBUTION AND OWNERSHIP 2016 (ADS)<sup>11</sup>**

	Hectare
State land	13 814 336
TBVC territories, self-governing states and trust land (August 1994)	18 036 773
1994 – 2016:	
Government land for agriculture	2 208 031
Government land for town/urban development	641 267
Financial compensation (Sona) 2017	2 772 457
Private purchases by people (non-white)	4 373 376
Urban development	1 708 527
TOTAL:	43 554 767
Minus land sold by (non-white) individuals to white people (Agriculture.com)	388 570

<sup>8</sup> <https://www.farmersweekly.co.za/agri-news/south-africa/land-distribution-targets-in-kzn-surpassed-kwanalu/>  
<http://vrystaatagriculture.co.za/vsagriculture-media/persverklarings/2014/180-press-release-on-bfap-report-on-fs-agri-land-audit>.

<sup>9</sup>. Louis Changuion & Bertus Steenkamp (2011), p.278.

<sup>10</sup>. The information in this report is based mainly on the outcome of the land audit by Agri Development Solutions (ADS), *Farmers' Weekly* and Agri SA, which report was released in November 2017. The base year used is 1994, taking into account the land transfers after the present government dispensation. The audit encompasses all land deals with transactions of 10 ha and greater, at value and transfer, from 1994 to 2016. The apportioning of land use and ownership by race was also analysed. The audit did not focus on land ownership and occupation by race in urban areas, and therefore a view cannot be taken about this *per se*.

<sup>11</sup>. Ibid.

Net total: Land ownership by (non-white) people 38%	43 166 197
Excluding State land 25,8%	29 351 861
(Excluding unusable land)	

The above table shows that the surface area of (non-white) land ownership (excluding State and unusable surface area) consisted of 25,8% of the total usable surface. When State land is included, the surface area changes to 38%. Adv. Mark Oppenheimer<sup>12</sup> states that the Land Claims Court allocated compensation to more than 1,8 million individuals over the period 1995-2014. Only 3 500 case are outstanding.

**TABLE 2 : LAND CLAIMS COURT (1995-2014)**

Province	Land restored (ha)	Total No. of households involved	Total No. of beneficiaries	Outstanding claims	Total settlements as at March 2014	Total of valid claims
Eastern Cape	136 752	67 579	257 049	402	16 465	16716
Free State	54 058	7 019	49 022	10	2 656	2682
Gauteng	17 1`89	14 157	64 432	13	13 327	13 158
KwaZulu-Natal	771 022	55 477	499 722	1 323	15 171	16 398
Limpopo	639 287	50731	256 489	163	3 655	3 489
Mpumalanga	473 673	53 832	257 597	621	2 847	3 400
North West	407 087	40 476	202 932	184	3 740	3902
Northern Cape	575 732	22 656	120 270	145	3 719	3 852

## AGRICULTURAL LAND

The total surface of agricultural land as recorded in the 1993 census was 97 036 986 ha, of which commercial farmers owned 82 557 220 ha and (non-white) owners 14,5 million ha, or 14,9%. Since 1994 more than 3,6 million ha of agricultural land (i.e. commercial agricultural land) has been relinquished for the expansion of city and town areas, mining, nature conservation and forestry. In 2016 agricultural land totalled 93 453 558 ha.<sup>13</sup>

In the years leading to 2016, the Minister of Local Development and Land Reform, Minister Gugile Nkwinti, stated that a restriction had to be placed on the size of farms or agricultural units – from 1 000 ha for so-called small farms to 2 470 ha for larger units. This jeopardises the value or the carrying capacity of land in SA.<sup>14</sup> The carrying capacity of land is calculated as the relative capacity of land/pasturage for a 450 kg bovine animal with approximately 12 kg of pasturage. Climate plays a critical role in this calculation, and the carrying capacity of land in SA varies from 4 ha per livestock unit to 100 ha per livestock unit.<sup>15</sup> Compare the

<sup>12</sup> . Mark Oppenheimer (2018). *Six Myths about Land Reform that show the folly of meddling with the Bill of Rights*. [https://www.timeslive.co.za/...](https://www.timeslive.co.za/)

<sup>13</sup> . ADS Audit.

<sup>14</sup> . Burgert Geldenhuys (2014) & E. Stoddard. 21 May 2016. *South Africa to limit farm sizes to speed land redistribution*. Reuters World News.

<sup>15</sup> . Burgert Geldenhuys (2014). This is typically the capacity in some areas of the eastern Highveld of Mpumalanga and KwaZulu-Natal.

value/carrying capacity of land in KwaZulu-Natal with the carrying capacity of land in Merweville, near Laingsburg. For this reason, it is important to bring into account the value and carrying capacity of land when transferring land to (non-white) individuals.

**TABLE 3: LAND OWNERSHIP 2016<sup>16</sup>**

Agricultural land ownership (non-white) in the RSA in respect of ha, value and land potential: 1994–2016				
	1994	2016	2016	2016
	Ha	Ha	Value	Land potential
	% van Agricultural land	% van Agricultural land	% van Agricultural land	Total % of Agricultural land
Western Cape	0,0	4,9	7,0	11,3
Northern Cape	0,0	6,4	7,0	12,3
Free State	1,6	7,9	15,0	18,7
Eastern Cape	28,0	48,3	45,7	54,1
KwaZulu-Natal	45,4	73,5	59,6	76,1
Mpumalanga	10,6	39,7	34,4	44,7
Limpopo	38,6	52,0	50,6	64,7
Gauteng	0,0	39,1	38,8	23,6
North West	34,5	45,3	48,8	36,8
RSA TOTAL	14,9	26,7	29,1	46,5

The 2016 ADS Audit shows furthermore that, over the period from 1994–2016 a total of 12 141 780 ha of land was distributed and in the possession of (non-white) people. Altogether 2,8 million ha of land was purchased by the State, 3,2 million ha was bought back in land claims and the money disbursed, as well as 6,1 million ha consisting of 4,2 million ha in self-financed private purchases and 1,9 million ha in private purchases which were financed through state assistance schemes. The figures do not include the land in the former homelands, nor the restitution of 3,7 million ha, mainly to trusts. The table shows the breakdown of ownership of agricultural land by people (non-white) per province. In four provinces, more than 40% of the agricultural land is already owned by (non-white) people. This includes the Eastern Cape with 48,3%; KwaZulu-Natal with 73,5%; Limpopo with 52%; and North West with 45,3%. In Mpumalanga and Gauteng the ownership percentage is just under 40. Calculated at 2016 values, (non-white) people own 29,1% of the value of agricultural land in the RSA, with values of more than 40% in the same four provinces mentioned above. A comparison/analysis of the potential of the agricultural land owned by (non-white) people in South Africa stands at a total of 46,5% – where the Eastern Cape comprises 54,1%; KwaZulu-Natal 76,1%; Mpumalanga 44,7% and Limpopo 64,7%.<sup>17</sup>

## CHALLENGE: URBANISATION

<sup>16</sup> ADS Audit.

<sup>17</sup> Johann Bornman. 2018. Presentation to AB



Serious challenges to land reform are population growth, urbanisation and food provision. The SA population has increased from 6 million in 1910 to 56,5 million in 2017. By 2017 the majority (71%) of the SA population already lived in cities. It is calculated that up to 90% of the people who successfully submitted land claims, either take or took the cash value. This offers them independence and enables them to acquire housing in cities. By contrast the rural population shows negative growth. Legal and illegal immigrant places even more pressure on available resources.

**Table 4: Population growth compared with urbanisation<sup>18</sup>**

Year	Total population	Urbanisation	%	Population rural	Agricultural land per person per ha
1913	5 973 000	1 478 000	24,7	4 495 000	16,2
2017	56 500 000	37 100 000	65,0	19 400 000	1,6
2030	66 900 000	47 699 000	71,3	19 200 000	1,4
2050	72 700 000	54 500 000	75,0	18 200 000	1,2

By comparison, the government has more than 12 000 unused properties comprising about 1,9 million ha. This has a value of R12 billion (municipal valuations). A further R9 billion has already been spent on repairs to some of the properties in the course of time. The ownership consists of the following:

Stands	230 384 ha	at	R3,006 billion
Commonage ("farms")	1 639 570 ha	at	R8,437 billion
Total	1 869 954 ha	at	R11,443 billion

<sup>18</sup>. UNITED NATIONS SECRETARIAT'S *WORLD POPULATION PROSPECTS*, STATS SA, Land audit 2017 and ADS.

**TABLE 5: UNUSED STATE AGRICULTURAL LAND PER PROVINCE: TOWNS AND CITIES<sup>19</sup>**

Province	Number of properties	Ha	Rand
EASTERN CAPE	344	154 943	682 482 658
FREE STATE	170	72 901	342 122 074
GAUTENG	284	14 953	549 222 167
KWAZULU-NATAL	952	163 622	860 505 435
LIMPOPO	249	68 261	323 190 998
MPUMALANGA	650	192 620	1 035 792 846
NORTH WEST	512	579 596	2 712 203 569
NORTHERN CAPE	143	261 280	1 165 025 790
WESTERN CAPE	355	131 395	765 822 531
RSA TOTAL	3659	1 639 571	8 436 368 067

This information indicates that if all the property situated in municipal areas were added together, it would consist of 7 234 stands and other land surfaces (commonage, etc.) in 2 017 municipalities, mainly in North West, Mpumalanga, KwaZulu-Natal, the Western and Eastern Cape (see **Table 5**). This “urban agricultural land” of 1,6 million ha represents 1,8% of the total agricultural land available, as calculated in the ADS Land Audit.

The total built-up surface in the RSA consisted of nearly 2,9 million ha in 2016. This included industrial, residential, township/informal areas, smallholdings, villages, sport grounds and school grounds as well as other built-up areas. Of these, 2,2 million ha fell under townships, informal areas and villages. The surface area of 1,6 million ha of disused municipal property represents 74,5% of the total area of townships, informal areas and villages – a substantial proportion.

#### **DECREASE IN THE AVAILABLE AGRICULTURAL LAND**

The National Development Plan set the goal of redistributing 20% of the 82,5 million ha of white commercial agricultural land as in 1994, by 2030. Since then, altogether 3,78 million ha had been relinquished to development by 2017, and the expectation is that a further approximately 2 million ha will be lost to agriculture by 2030. This leaves 76,72 million ha of commercial agricultural land, and the target is therefore about 15,34 million ha. By the end of 2016 the redistribution of land was, on this basis of calculation, 6,75 million ha short of this goal/target.

At the rate of land purchases by individuals (non-white) and the government, the redistribution of agricultural land will be only 1,55 million ha less than the target by 2030 (see **Table 6**).

If the 14,5 million ha of agricultural land in the former homelands, as well as the land calculated in hectares for which restitution claims have been disbursed, are taken into account, the total for commercial agricultural land in the hands of people (non-white) by 2030 would

<sup>19</sup> . Department of Public Works (DPW)

amount to 31,2 million ha, or 34,2% of the total agricultural land available. This represents 61,9% of the country's agricultural land potential.

If the existing processes are adhered to, the set NDP target will be reached; which would make land expropriation unnecessary.

**TABLE 6: THE EFFECT OF LAND REFORM ON COMMERCIAL AGRICULTURAL LAND 1994–2016 (estimate)**

<b>Agricultural land</b>	<b>Ha million</b>
Commercial agricultural land in 1994	82,50
Minus land relinquished for development (1994–2016)	3,78
Minus land relinquished for development (2017–2030)	2,00
<b>Net commercial agricultural land before redistribution</b>	<b>76,72</b>
<b>Commercial agricultural land redistributed between 1994–2016</b>	
Commercial agricultural land bought by the Government	2,21
Commercial agricultural land bought by the Government for other purposes	0,64
Commercial agricultural land bought by (non-white) individuals: Self-financed	4,22
Financed with State assistance	1,91
Land sales by individuals (non-white) to white buyers	0,39
<b>Total: Purchases of commercial agricultural land (non-white) (1994–2016)</b>	<b>8,59</b>
<b>Goal for land reform by 2030 under the National Development Plan, with 1994 as basis (20%)</b>	
<b>Goal for land reform by 2030 under the National Development Plan, with 1994 as basis (20%)</b>	<b>15,34</b>
<b>Difference to reach the 20% goal as at the end of 2016 (excluding financial compensation)</b>	<b>6,75</b>
<b>Restitution by means of financial compensation* (1994–2016)</b>	<b>2,77</b>
- Agricultural land	0,85
- Urban land	1,92
<b>Estimated rate of land reform 2017–2030</b>	
Purchase of commercial agricultural land by individuals (non-white): Self-financed	2,56
Financed with State assistance	1,16
Land trading (non-white) to white buyers	0,24
Commercial agricultural land bought by the Government	1,34
Commercial agricultural land bought by the Government for other purposes	0,38
Scenario 1) Government buys land for redistribution and finances schemes as at present	
<b>Difference to reach 20% goal by 2030</b>	<b>1,55</b>
Scenario 2) The Government stops land purchase and assistance schemes	
<b>Difference to reach 20% goal by 2030</b>	<b>4,43</b>
Restitution by financial compensation could in total take up the equivalent of more than 4,5 million ha by 2030 and is excluded from the calculations.	
SOURCE: Land Audit 2017 and ADS	

## TRADING OF LAND ON THE FREE MARKET

Land is traded at market-related prices in the free market. This makes a substantial contribution to the transformation of land. This has undeniably been proven by the 2017 ADS Land Audit.

**TABLE 7: LAND PURCHASES AND AVERAGE PRICE PAID PER HA BY PEOPLE (NON-WHITE), COMPARED WITH COMMERCIAL AND NON-AGRICULTURAL USE 1994–2016<sup>20</sup>**

	Ha	Average price R/Ha Total	Average price paid by commercial farmers R/Ha
Government for agriculture	2 208 031	6 297	6 324
for other use	641 267	10 217	6 898
<b>Total</b>	<b>2 849 298</b>		
<b>Private</b>			
Self-financed	4 222 472	8 881	8 408
Private non-agricultural		18 152	14 542
Government-supported schemes	1 908 981		
<b>Total</b>	<b>6 131 453</b>		

The details given in **Table 7** are obvious. Private persons (non-white) have bought more than double the area that the Government bought. Even when including the private acquisition of land, supported by the government's assistance schemes, the ratio is still 1:1. It is also plain from the land audit that market-related prices were paid.

Furthermore it is also important to note that over the 24 years between 1994 and 2017, altogether 59,3 million ha of commercial land had been traded. This represents 63,4% of all agricultural land.<sup>21</sup>

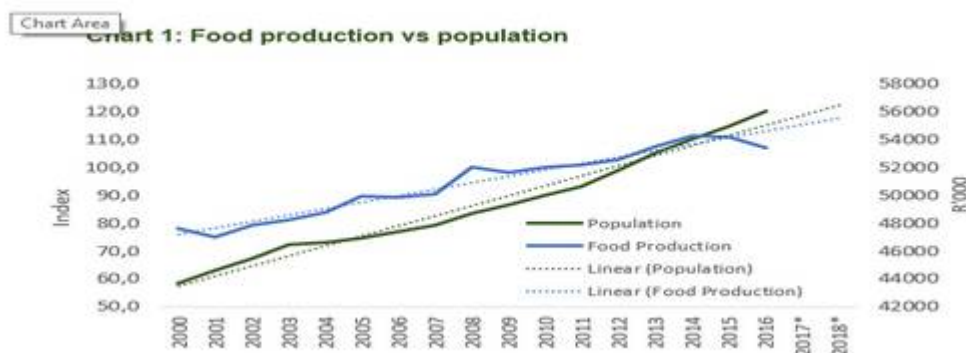
## FOOD SECURITY

The question is whether agricultural performance can be sustainably maintained to ensure food security. From 1994 to 2016, commercial agricultural land decreased by 17% (82 500 ha to 68 500 ha). At the same time, the number of commercial farmers decreased by 38,6% and the ratio of the population to a commercial farmer increased by 145,2% (708:1 to 1 736:1 and

<sup>20</sup> . ADS, *Farmers' weekly* and Agri SA land audit 2017

<sup>21</sup> . ADS, *Farmers' weekly* and Agri SA land audit 2017

is expected to increase to 2 700:1 in 2030). This is how many people one farmer must feed. See the figure below.<sup>22</sup>



Agricultural performance must also be seen against the background of the shift in the economy of scale, where the ratio in hectares per commercial farmer increased from 1 389:1 in 1994 to 2 117:1 in 2016 (52,4% or 2,4% per annum). By comparison, the agricultural sector has managed to grow the index for the physical volume of food production by 2,3% per annum.<sup>23</sup>

Until the present, agriculture in the RSA has undeniably succeeded in providing food inexpensively and effectively. The efficient use of all agricultural land is absolutely critical if it is to remain doing so sustainably, irrespective of the race of the property owner.

## SUMMARY

After 23 years of democratic government, one must accept that land reform is more complex than had initially been believed. Furthermore the land in SA does not all have the same carrying capacity or value. How is it determined which 20% or 30% be transferred to people (non-white)? Yet the progress made so far shows that the RDP targets are feasible.

In a survey done in 2016, South Africans stated that unemployment, service delivery, a shortage of housing, criminality and poverty were their biggest problems. Only 0,5% of black South Africans listed land distribution as their biggest problem. Yet land reform is being used as a political football to distract attention from the government's lack of achievements. The government's deliberate attempts to speed up land reform are being further delayed by budget deficits, an inefficient support network and corruption. To win points among the electorate and opposition parties, a decision was taken to amend section 25 of the Constitution of the RSA to provide for the expropriation of land without compensation. Is this an attempt to correct the state's financial incapacity? Another uncertainty remains. What is the SA Government's responsibility towards legal and illegal immigrants?.

The Afrikanerbond holds the view that the Constitution of the RSA in its existing format gives the government sufficient power, together with the free market, to carry out land transformation. Advocate Mark Oppenheimer believes that the expropriation of land will have an influence on international markets. *"You can't remove property rights and have a flourishing*

<sup>22</sup> . Ibid., p.22.

<sup>23</sup> . Abstracts 2018 DAFF, STAS SA, SARB, ADS

*economy. Foreign investors won't risk having their land confiscated in South Africa when they can pick any number of other nations that will protect their investments.*"<sup>24</sup>

More than 90% of the people who succeed with land claims, prefer the monetary value. They use the cash to acquire housing in cities. A survey done in 2016 showed that more than 70% of all South Africans are city dwellers. The rural areas and small towns show negative growth. Together with this, the State is fast becoming the biggest landowner. There is ample State land in and around cities to address this problem partially.

It must be noted that the demographics of South Africa have changed. There must be provision for property rights in and around cities due to urbanisation.

## **THE ROAD AHEAD**

All South Africans believe that land reform is necessary, but the process must take place honestly, sincerely and openly. The Constitution and the National Development Plan must have priority, including the principle of property rights and the free market, as had already been agreed long ago.

The Afrikanerbond is of the opinion that a commission/discussion group should be constituted of experts, representatives of NGOs international experts and relevant officials. The Afrikanerbond is prepared to take part in or to initiate such a discussion group. The first step must be to determine a common point of departure, to ascertain who owns what. We are already involving experts in such a discussion in August 2018, outside the political rhetoric. Naturally political zealots and those who drive a racial agenda will not be involved – only South Africans who are the legal and lawful property owners and those who have the country's interests at heart.

The Afrikanerbond holds the view that a full audit of land and housing should be done. Alternatively, the audit that Agri Development Solutions (ADS) did could be accepted as a discussion document. As soon as the common point of departure has been determined, a strategy should be formulated within the framework of the NDP with goals of where SA wants to stand on land reform by 2030/2050.

Further action includes the following:

- Granting help to people to acquire land to which the government already has access. After taking urbanisation and the particular statement of the need for land by black people, great strides could be taken in an affordable and simple manner. Land and ownership are not limited to agriculture. This is almost the sole route to truly addressing poverty.
- Establishing property rights at all levels.
- Unbundling land in the former homelands and self-governing states. In the case of trust land, management arrangements could be established to channel funding models, financing to farming development in the regions. Expert agriculturists who are already successful could enter into partnerships with local agriculturists or manage development. Development is imperative in the interests of the communities and also because some of the country's most fertile regions occur here.

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<sup>24</sup> . Mark Oppenheimer (2018). *Six Myths about Land Reform that show the folly of meddling with the Bill of Rights*. <https://www.timeslive.co.za/...>

- Revising and streamlining the existing land reform processes. Land expropriation would make no improved contribution to the process and rate of land reform, and is no guarantee of combating poverty and unemployment. This policy is therefore counter-productive.
- Getting the existing but struggling land reform projects to become fully operational, with the necessary support and support network.
- Providing a structured support network with a development plan, financing model and training is needed for each project.
- Potential farmers must be trained and the necessary support must be provided in the budget. In this regard the Afrikanerbond is willing to provide support and advice
- The structure of agriculture in the RSA is dualistic or has many levels. It consists of big suppliers with a largely direct supplier line, medium-size and small farmers, accommodated by a broad-based product trading platform, and lastly in third place the subsistence farmers. A plan for a small farm is usually not a plan for maintaining food production sustainably. Farms in South Africa have long since been divided – in size and use – according to economies of scale and the norms change continuously. Land potential and climate determine to a large extent how people farm in South Africa and the market structure determines the profile of the farmers and farming. Consequently, more than one model is necessary.
- Subsistence and small farmers are an integral part of the remote rural areas, especially in respect of providing basic food. This model still ought to be accommodated, but with great caution.
- Ensuring food security.

It is important to take into account the goals and outcome of all the policy directions affecting agricultural land and land reform, in some way in a strategy, goals and plans. Who should do what and when.

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