

TOWARDS A RESOLUTION ON RURAL DEVELOPMENT, LAND REFORM & AGRARIAN CHANGE



The National Policy Conference of the ANC, held at Gallagher Estate in 2007, proposed a draft resolution on economic transformation to be considered for adoption at the 52nd National Conference in December. The draft resolution identifies rural development, land reform and agrarian change as a critical pillar of our programme of economic transformation, but also called for further work to clarify our vision and programme for rural development. This document is intended to take this work forward by providing a basis for discussion within and beyond the structures of the movement, with the aim of assisting the Polokwane Conference to conclude a resolution on these matters.

NOTING THAT

1. Colonialism and apartheid were rooted in the dispossession of the African people of their land, the destruction of African farming and the super-exploitation of wage labourers including farm workers and their families. Poverty, inequality and joblessness are the consequence of centuries of underdevelopment and exploitation consciously perpetrated on the majority of the population, which had its most destructive and enduring impacts on rural South Africa. Consequently, the structural faults that characterised the apartheid rural economy remain with us today.
2. Although one third of our people live in former Bantustan areas, these regions account for one half of the poorest households. Joblessness is disproportionately high in rural areas, where the majority of those with jobs earn poverty wages. This burden of rural poverty falls hardest on women who are the majority in rural communities.
3. The challenges of urban poverty and migration to cities are inseparably bound with the struggle to defeat poverty, create work and build a better life in rural South Africa. The poorest amongst the urban population have the strongest connections with rural areas. Limited opportunities of sustainable livelihoods in rural areas, insecurity of tenure and widespread evictions contribute directly to the growth of informal settlements in cities and towns. Moreover, the predominance of capital intensive farming on vast tracts of land in 'white' South Africa is directly linked to the reproduction of high population densities and land degradation in former Bantustan areas
4. Many rural areas continue to lack basic infrastructure such as roads, water and electricity supply. This lack of infrastructure entrenches the problems of chronic poverty and limits the potential of communities to sustain economic growth, rural livelihoods and social development. Our efforts to extend free basic services to all our people are slowest to reach the rural areas and farm-dwellers, even while the majority have access to free basic services in the urban areas. Moreover, access to government services such as education and health care are the weakest in rural areas.
5. Interventions such as the Integrated Sustainable Rural Development Programme have made significant, but insufficient progress. Social grants are making a huge contribution to pushing back the frontiers of rural poverty, fighting hunger and improving potential for economic growth in rural areas. However, in the struggle to build a better life for all, grants are no substitute for a broader strategy of rural development and employment creation.

6. Municipalities in the poorest and most rural parts of South Africa are amongst the most deprived in terms of human, physical and financial resources. This lack of capacity limits the extent to which rural municipalities can act as catalysts for growth and development.
7. The current structure of commercial agriculture is the outcome of centuries of land expropriation, labour coercion and state subsidy for the chosen few. Since 1994, commercial agriculture has continued to develop in a manner that is characterised by growing concentration of ownership and farm size, underutilization of vast tracts of land, capital intensity, job-shedding and the casualisation of labour.
8. While deregulation, liberalization and the resulting competitive pressures on the sector have eliminated many of the privileges of the large scale farm sector, various aspects of policy and legislation still reinforce the legacy of the past , including tax regimes that promote capital intensity and farm consolidation and laws such as the Subdivision of Agricultural Land Act that make it difficult to redistribute land to a modern and competitive smallholder sector. At the same time commercial agriculture has also reacted to legislation intended to protect the rights of workers and farm dwellers by sharply reducing their number, resulting in significant job losses and painful evictions of people living on farms.
9. Concentrated ownership, price collusion and the high degree of vertical integration in farming, agro-processing and retail limit the space for new entrants, particularly small holders, and undermine our efforts to build sustainable livelihoods in rural areas. Monopolistic practices also reinforce the recent rises in food prices, which undermines economic growth and the fight against hunger and poverty.
10. Water is critical both for agricultural production and sustainable livelihoods in rural areas, but is a scarce resource throughout Southern Africa. Access to water has been skewed by apartheid agricultural policies in ways that reinforce inequalities and foster waste.
11. Millions of our people farm on small agricultural plots in the former Bantustan areas and make a substantial contribution to poverty reduction and the creation of sustainable livelihoods in the most adverse conditions. Part time and full time agriculture in these areas remains a critical opportunity in our people's efforts to combat poverty, provide social security for themselves and build sustainable livelihoods. Our efforts to support them have been inadequate.

AND FURTHER NOTING THAT

12. The Constitution enjoins the state to take action to enable citizens to gain access to land on an equitable basis, to ensure security of tenure for people and communities and to realise the restitution of land rights for those dispossessed after 1913.
13. Current approaches to land reform are not achieving the scale or outcomes required for the realisation of a better life for rural South Africans. In particular:
 - (a) We have only succeeded in redistributing 4% of agricultural land since 1994, while more than 80% of agricultural land remains in the hands of fewer than 50,000 white farmers and agribusinesses. The willing seller willing buyer approach to land acquisition has constrained the pace and efficacy of land reform. It is clear from our experience, that the market is unable to effectively alter the patterns of land ownership in favour of an equitable and efficient distribution of land.
 - (b) Land reform has not been located within a broader strategy of rural development or a commitment to supporting small-holder farming on a scale

that is able to improve rural livelihoods. As a result, changes in land ownership have not realised its full potential to transform social relations, combat rural poverty and promote rural development.

- (c) The lack of popular participation in land reform has limited its impact and undermined our efforts to accelerate redistribution. Our approach has been overly reliant on officials and consultants, and has not succeeded in empowering the poor through people-centred approaches to planning and implementation.
 - (d) The legal framework continues to make it difficult to establish smallholder production in general, and peri-urban farming in particular.
 - (e) Land reform beneficiaries, as well as new and existing producers in the former Bantustans, have often failed because of the inadequate provision of extension support, capital, infrastructure and market access. Insufficient budgetary support for targeted interventions in the land market and post-settlement support systems has resulted in slow progress and a disappointing economic and social impact.
 - (f) The tendency to encourage beneficiaries not only to hold the land under common ownership, but also to organise themselves into collective production arrangements has constrained the success of land reform programmes, as has our inability to sub-divide vast and inefficient land holdings which are the distorted outcome of years of subsidy and protection.
14. Rural development is constrained by the insecurity of tenure among farm dwellers and people living in the former Bantustans. Despite the enactment of progressive laws, the realities of abuse, both by farmers and some traditional authorities, continues to undermine security of tenure in many rural communities.
15. Widespread evictions of farm-dwellers are in direct contradiction with the goals of the National Democratic Revolution in general and the objectives of land reform in particular. Notwithstanding the best intentions of government and parliament to protect the tenure rights of farm-dwellers through legislative interventions, the evictions, human rights abuses and super exploitation of farm-dwellers remain a blight on the conscience of our society and a serious obstacle to the creation of a vibrant rural economy. Critically, weak organisation of farm-workers deprives them of a voice and of the ability to take advantage of the rights provided under the Constitution and labour laws.
16. The industrialised nations continue to provide lavish subsidies and other forms of protection with the aim of sustaining their agricultural sectors, maintaining social cohesion and ensuring national food security. The effect of this is to undermine rural livelihoods and create poverty in the developing world, especially in Africa.

AND BELIEVING THAT

1. Rural development is a central pillar of our struggle against unemployment, poverty and inequality. High levels of rural poverty and inequality inhibit the growth of our economy and undermine our efforts to ensure that growth is more equally shared amongst our people.
2. Gender equality must be a critical ingredient and important outcome of all our programmes of rural development, land reform and agrarian change. Correcting the injustices of the past requires that women increasingly become the beneficiaries and decision-makers in respect of strategies to overcome poverty in rural areas.

3. Our programmes of rural development, land reform and agrarian change must be integrated into a clear strategy that seeks to empower the poor, particularly those who already derive all or part of their livelihoods from the exploitation of productive land. In line with the Freedom Charter's call that 'the land shall be shared among those who work it', the critical beneficiaries of change must be rural women, farm-dwellers, household producers in former Bantustans, small businesses and rural entrepreneurs and residents of urban and peri-urban areas that wish to engage in agricultural livelihoods.
4. The developmental state has a central role to play in leading and sustaining rural development. This includes leading the process of land reform, promoting sustainable change in social and economic relations and supporting the goals of growth and development in the rural economy. The mobilisation of communities is central to all of these objectives.
5. The agricultural sector is critical for the economic development of rural areas and the country as a whole because of its potential capacity to:
 - Create work, both as a direct employer and through its linkages to other sectors;
 - Provide the basis for sustainable livelihoods and small business development on a mass scale in rural communities;
 - Raise rural incomes and build local economies;
 - Ensure the efficient production of affordable food and other wage goods, assure food security for the poorest, and contribute to a climate of low inflation.
6. Black economic empowerment and the deracialisation of agricultural ownership is a necessary but insufficient condition for the realisation of our transformation goals in rural South Africa.
7. A more equitable distribution of land is necessary both to undo the injustices of history as well as to ensure higher productivity, shared growth, employment and sustainable livelihoods. Our approach to land redistribution must be integrated into our programmes to ensure social and economic transformation. Successful land reform means integrating land acquisition with support for new farmers. Therefore, our approach to land acquisition should include, where appropriate, planned acquisition and distribution, expropriation and demand-driven market transactions.
8. The participation of the poor in the design, implementation and monitoring of rural development programmes is a key objective of the developmental state, and must be supported by appropriate structures to give voice to affected communities and structure their engagement with government programmes. Social movements and land-owners all have an important role to play in the realisation of our vision. The ANC and its alliance partners too have a critical role in mobilising and organising rural communities behind the objectives of the NDR in general, and the goals of rural development in particular.
9. It is vital that we re-build the culture of agricultural livelihoods and rural entrepreneurship, which apartheid and colonialism dedicated so much effort to uprooting from black communities. In order to build rural entrepreneurship and productivity, people must have security of tenure on the productive land that they occupy.
10. All our people have a right to access basic government services, irrespective of where they live and that the provision of services must take account of changing settlement patterns and the need to develop effective delivery systems for relatively remote households.

11. Macro-policies should endeavour to support agriculture, particularly labour intensive production, and avoid any bias against the broader goals agricultural development.

THEREFORE RESOLVES TO:

1. Embark on an integrated programme of rural development, land reform and agrarian change based on the following pillars
 - (a) The provision of social and economic infrastructure and the extension of quality government services, particularly health and education, to rural areas
 - (b) Fundamental changes in the patterns of land ownership through the redistribution of 30% agricultural land before 2014 in the context of comprehensive support programmes to ensure sustainable improvements in livelihoods for the rural poor, farm-dwellers and small farmers, especially women.
 - (c) Agrarian change with a view to supporting subsistence food production, expanding the role and productivity of modern small-holder farming and maintaining a vibrant and competitive agricultural sector.
 - (d) Defending and advancing the rights and economic position of farm-dwellers, including through improved organisation and better enforcement of existing laws.
2. Strengthen the voice of rural South Africans, empower poor communities and build the momentum behind agrarian change and land reform by supporting the self-organisation of rural people, working together with progressive movements and organisations and building forums and structures through which rural people can articulate their demands and interests.
3. Build stronger state capacity and devote greater resources to the challenges of rural development, land reform and agrarian change. In particular to:
 - (a) Create an over-arching authority with the resources and authority to drive and coordinate an integrated programme of rural development, land reform and agrarian change.
 - (b) Implement the Freedom Charter's call to help those working the land with implements, seed, tractors, infrastructure for irrigation and other forms of material support.
 - (c) Implement large-scale programmes to establish new smallholders and improve the productivity of existing small-scale and subsistence farmers, and to integrate smallholders into formal value chains and link them with markets.
 - (d) Build dedicated state and private institutions that are accountable to their users for the effective and directed support to land reform beneficiaries in general and small holder agriculture and family farms in particular, including through financial support, research and extension, the provision of tools and equipment and the facilitation of market access and cooperation.
 - (e) Review the mandate, capacity and operations of institutions such as the Land Bank in order to ensure that the state is able to provide directed credit and capital for investment in support of a transformed agricultural sector and rural economy.
 - (f) Improve the ability of government to take the lead in innovation, research and development and extension services appropriate to the development of a small-holder farming sector.

- (g) Build the capacity of rural local governments to lead the processes of development, land reform and agrarian change including through the leadership of decentralised, participatory and people-centred programmes which are linked with wider development priorities, particularly through the Integrated Development Plans of municipalities.
 - (h) Improve the capacity of the state to monitor and collect information on the use of land, including through the conduct and publication of regular land audits.
 - (d) Ensure that the state regulates the land market effectively with a view to promoting the goals of rural development and agrarian change, limiting the unsustainable use of land for elite purposes (such as the conversion of prime agricultural land to golf estates) and ensuring that land remains predominantly in the hands of South African residents. To this end the management and control of state land must be consolidated under one roof.
5. Review and change all institutional, legislative, regulatory and tax-related policies that create a bias in favour of large-scale, capital intensive, environmentally damaging agriculture and underutilization of land and which constrain the emergence of a vibrant, pro-poor rural economy, including in particular:
 - (a) Immediately repeal any legislation which prevents the sub-division of land and other policies which promote the concentration of ownership in land and the underutilization of land.
 - (b) Introduce a special land tax and other progressive tax measures with the aim of creating incentives for the disposal of unutilized land and the deconcentration of land ownership, and acting urgently to remove biases that currently exist in the tax system that provide incentives for the ownership of large tracts of land, capital intensity and the underutilization of agricultural land.
 - (c) Revisit national agricultural policies, particularly in respect of subsidies, tariffs and marketing institutions, and the relationship between these and our objectives in respect of rural development, land reform and agrarian change as well as food security and inflation.
 - (d) Combat monopolistic practices in the markets for agricultural land, inputs, finance and outputs.
 6. Where appropriate, work together with commercial agricultural and the private farming sector to promote black economic empowerment, create partnerships between emerging and established farmers, create linkages between large and small farmers including through procurement and 'contracting-out' and build institutions contribute towards more equitable structures of production and ownership in rural South Africa, including through collective ownership, employment equity, skills development and support for new enterprises in the agricultural sector
 7. Support the growth of rural market institutions including through the provision of infrastructure and by helping rural communities and small farmers to build organisations which help them to access markets, build links with formal sector value chains and coordinate their activities to realise economies of scale. Such organisations may include producer coops, small-holder associations, input supply coops, marketing coops and/or state regulated institutions designed to support and promote market access and collective action amongst small rural producers.
 8. Where necessary , exercise legal rights to expropriate property in the public interest or for public purpose, where compensation is awarded in accordance with the Constitution to achieve equity, redress, social justice and sustainable development. All legislation pertaining to expropriation must be aligned with the constitution.

9. Ensure adequate resources are available for the creation of agricultural colleges and extension services specialising in the tasks of rural development, land reform and agrarian change.
10. Work together with the progressive trade union movement, particularly the Food and Agricultural Workers Union, government agencies and civil society to build national organisations for farm workers and farm dwellers dedicated to the realisation of their rights, combating human rights abuses and super-exploitation and the provision of support and advice to communities living on farms. Furthermore, to ensure the vigorous implementation of laws that protect farm-dwellers by strengthening the capacity, resources and resolve of government to protect and advance their interests.
11. Ensure that the allocation of customary land be democratised in a manner which empowers rural women and supports the building of democratic community structures at village level, capable of driving and coordinating local development processes.
12. Integrate land rights and water rights into a common programme.
13. Find ways to stabilise food prices in order to prevent inflationary surges, protect food security and combat hunger.
14. Accelerate the roll-out of rural infrastructure, particularly roads but also other services including potable water, electricity and irrigation and ensuring in particular that the former Bantustan areas are properly provisioned with an infrastructural basis for growing economic and social development and that farm dwellers, like all South Africans benefit from universal access to free basic services. In this regard, the ANC reaffirms our objective of realising universal access to free basic water, electricity and sanitation before the centenary of the ANC and recognises that the bulk of this challenge is in rural South Africa.