

# Breakfast Seminar: Unpacking the ANC's resolution on land expropriation without compensation



## **Breakfast Programme**

*6 March 2018 | 07:30 to 11:30 | Pretoria Hotel Fire & Ice, Menlyn, Pretoria*

Brought to you by:



***Organising Committee***

*Lucius Phaleng*

*Fezeka Matebeni*

*Dr Simphiwe Ngqangweni*

*Majara Monamodi*

*Nehru Pillay*

*Jennifer Du Preez*

*Rika Verwey*

*Bongani Radebe*

*Daniel Rambau*

*Alleyn Smith*

*Sandile Ngcamphalala*

***Photos:***

*NAMC Communications*

***Booklet Design:***

*Sylvester Moatshe*

***Authors:***

*Lucius Phaleng*

*Fezeka Matebeni*

*Dr Simphiwe Ngqangweni*

*Majara Monamodi*



## Executive Profile

*Dr. David Masondo*

Member of ANC's Economic  
Transformation Committee

Dr. David Masondo is a member of the ANC National Executive Committee. In 2015, he was appointed acting Chief Executive Officer AIDC. He was a lecturer at Wits University, held the position as MEC for Provincial Treasury in Limpopo, and as a Chief Director for the Department of Economic Development in Gauteng before joining the AIDC.

He was born in Limpopo and after matriculating, began teaching at Giyani College. While there, he joined the ANC's alliance partner, the South African Communist Party, and served in various senior positions, including on its central committee.

Masondo holds a Master of Arts (MA) Degree from Wits University. His MA focussed on the labour process in the automotive industry. He completed his Doctoral studies at the New York University in the

United States of America. His PhD thesis investigated the effects of the Motor Industry Development Programme on the South African automotive industry.

During his career, he scooped a number of accolades including the Ford Foundation International Fellowships PhD programme award, the MacCracken PhD scholarship and two (02) merit awards for his undergraduate studies. He was also named as one of "200 Young South Africans You Must Take to Lunch" as awarded by the Mail and Guardian Newspaper.

Dr Masondo plans to expand partnerships in both the public and private sectors of the automotive and manufacturing environments to ensure that the AIDC continues to deliver on its mandate.



## *ACRONYMS*

AgBiz	Agricultural Business Chamber
ANC	<i>African National Congress</i>
ARC	Agricultural Research Council
CEO	<i>Chief Executive Officer</i>
DAFF	Department of Agriculture, Forestry & Fisheries
DRDLR	<i>Department of Rural Development and Land Reform</i>
GFADA	Grain Farmer Development Association
NAMC	<i>National Agricultural Marketing Council</i>
NEC	National Executive Committee

# Programme



Mr Xhanti Payi,  
Programme Director



Mr Zama Xalisa,  
NAMC



Dr Shadrack Moephuli,  
ARC

Time	Programme Item
07:30 – 08:30	Arrival, registration & welcome tea/coffee
08:30 – 08:45	Welcome by Mr Zama Xalisa, CEO of NAMC
08:45 – 09:15	Keynote Address by Dr. David Masondo, ANC NEC member
09:15 – 11:15	<i>Panel discussion by panel members</i>
11:15 – 11:30	Closing remarks by Dr Shadrack Moephuli, ARC

## Panelists



Dr John Purchase  
Agbiz



Dr Langa Simela  
Absa Bank



Mr Simphiwe Dzegwa  
SALGA



Mr Omri van Zyl  
AgriSA



Mr Neo Masithela  
GFADA



Mr TP Nchocho  
Land Bank



*1. Opening and Welcoming remarks*

***Mr Zama Xalisa,***

*Chief Executive Officer*

*National Agricultural Marketing Council*

Mr Xalisa highlighted the purpose of the seminar as being to unpack the ANC resolution on land expropriation without compensation through open discussions and debate among agricultural stakeholders. He explained that the collaboration of NAMC, Land Bank and ARC identified a need to create a platform for engagement to discuss the afore-mentioned ANC resolution and how it will

affect agricultural sector. He further stated that the seminar was a platform to receive guidance and inputs into the ruling party's processes from various agricultural stakeholders. He proceeded to introduce the guest speaker, Dr David Masondo, who is a member of the Economic Transformation Committee and National Executive Committee of the ANC to articulate the ANC's position on the issue.



*2. Guest Speaker*

*Dr. David Masondo*

ANC NEC Member

### ***2.1 The ANC resolution on land expropriation***

One of the ANC mandates is to provide fundamental and radical socio-economic transformation by creating a better life for all South African citizens. The 54th National Conference of African National Congress reaffirmed that the ANC agreed on the urgent tasks to be taken to fulfil the development of the South African economy. One of

the resolutions taken by the ANC, as a matter of policy, was to pursue expropriation of land without compensation. The implementation of this resolution is aimed at improving food security in South Africa. This will be pursued without destabilising or disturbing agricultural productivity, food security and undermining economic growth including job creation.

## *2.2 The problem that the resolution tackles*

Dr Masondo noted that expropriation of land without compensation is necessary in the context of economic growth and development. This was triggered by unacceptable levels of inequality, poverty and unemployment (the triple challenges). He emphasised that the whole logic behind the resolution is anchored on how to deal with economic growth and development in order to end unacceptable levels of the triple challenges. Although poverty has decreased from 45% in 1993 to 30% in 2017, (mainly as a result of increased access to social grants), millions of people still go to bed hungry.

During times of high levels food inflation, the purchasing power of the poor is negatively affected. Also, he mentioned that unemployment, especially in the youth category was still a big challenge. South Africa was on the same scale as Brazil in terms of the Gini-coefficient, however, currently Brazil has improved to 0.53 while South Africa remains at 0.68. The improvement of the Gini coefficient in Brazil could be attributed significantly to the proper way that land redistribution was handled.



He explained that the Reconstruction and Development Plan (RDP) stated that 30% of land should have been redistributed by 2014, but only 8% of land has been distributed so far. Consequently, land ownership in South Africa is still skewed. He detailed agricultural land audit statistics by Department of Rural Development and Land Reform, which reported that 72% of land is owned by Whites, 15% by coloureds, 5% by Indians and only 4% is owned by Africans. This shows that the majority of people do not have access to land to enable them to undertake economic activity.



### **2.3 Possible types of land that the resolution targets**

Dr Masondo explained that the type of land that could be targeted for expropriation without being compensated will be vacant land, unutilised land and land held for speculation reasons. Looking at the high level of poverty and unemployment, it is unfair for someone to sit on a piece of land that could have been used for the development of the economy. The resolution further suggested that measures such as land tax should be used in line with the idea of land expropriation without compensation. He highlighted that not every productive land used will be expropriated without

*“it is unfair for someone to sit on a piece of land that could have been used for the development of the economy”*

compensation. Due to the triple challenges in the country, it does not make any logical sense to have productive land that is not used.

He further cautioned land owners that if they are not using the land, they better start using it or they might lose it. He emphasised that unused land did not assist the country in developing the economy. He further indicated ANC resolution on land expropriation without compensation will not focus only on agricultural land but also on land held for other uses.



#### ***2.4 Arguments against expropriation***

Dr Masondo noted that some have argued against land expropriation without compensation citing the possibility of economic collapse (e.g. Zimbabwe). However, he argued that there are successful countries that adopted the land policy of expropriation without compensation and never failed. He mentioned United Kingdom (UK), Taiwan, and Brazil as the countries that managed to have successful land expropriation without compensation without hindering the economy. Besides this fact, it was inappropriate to compare Zimbabwe's economy to South Africa's.

#### ***2.5 Process of finalising the resolution***

Dr Masondo mentioned that there were processes still to be undertaken before the resolution is implemented. One of those processes was a parliamentary process through which establishment of a Constitutional Review Committee has been proposed with the aim of reviewing section 25 of the Constitution to make it possible for the state to expropriate land without compensation in the public interest. It is expected to complete this work and report back to Parliament on the 30 August 2018.



*“What AgriSA and AgBiz are proposing on the land issue is equivalent to a side dish. In African value system, we all eat from the same bowl or plate. You cannot eat with us in the same bowl, take the same food into a private bowl and still claim the food is yours.”*  
- Khawulezile Noruka (ANC official)

The ANC National Executive Committee would also convene a workshop to unpack further the whole idea of land expropriation without compensation. Dr Masondo indicated that in the last LEKGOTLA it was agreed that the workshop should take place around April 2018. The details around the resolution still have to be communicated in various platforms in order to gather some ideas and direction. The aim of the consultative workshop is not to change the resolution but to discuss how best this can be done to grow the South African economy and also address the triple challenges.

## **2.6 Conclusion**

In conclusion, Dr Masondo indicated that land expropriation without compensation should not be seen as a destructive measure but rather as a developmental mechanism to improve the livelihoods of the majority population of the country. The resolution will not be changed. He mentioned that the focal point must be to look at the conditions and criteria under which land expropriation without compensation should be implemented without distracting the economy of the country.

### 3. Panel discussion

#### 3.1. Development financier perspective:

Mr TP Nchocho, Land Bank



Mr TP Nchocho believed that the ANC had the proper framework for dealing with the resolution on land expropriation without compensation. The objective of the Land Bank is to facilitate land reform for access to smallholder farmers and, this was a good opportunity to relook at how the issue of land has been handled. He further stated we also needed to look at some of the core barriers such as disparities in prices between seller and buyers, lack of collateral for black people and the structural barriers around market access for black producers. As a proposal towards ensuring that land reform is implemented without a negative impact on the economy, Mr Nchocho argued that white commercial farmers should be encouraged to offer part of their land freely as part of a partnership with their neighbouring black farmers. In this way, there will be transfer of land and skills and a safeguarding of the productivity of the land.

*“white commercial farmers should be encouraged to offer part of their land freely as part of a partnership with their neighbouring black farmers.”*



### ***3.2. Black grain farmers perspective: Mr Neo Masithela, GFADA***

Mr Masithela highlighted that Grain Farmer Development Association (GFADA)'s main objective is to facilitate and oversee transformation functions on behalf of the member trusts in the grains and oilseeds industries in South Africa, with specific focus on the establishment and development of emerging grain farmers of previously disadvantaged backgrounds. Mr Masithela indicated that GFADA fully supported land expropriation without compensation because the small-scale farmers that GFADA is currently supporting will get an opportunity to become commercial farmers and contribute to socio-economic development.

### ***3.3. Local government perspective: Mr Simphiwe Dzungwa, SALGA***

Mr Simphiwe Dzungwa indicated strong support for the resolution on the basis that, for example, migration to cities has led to increasing defaults on municipal rates and services. He noted that the property rights matter needed to be dealt with while ensuring that racial equity is preserved. SALGA engages on the matter of land expropriation without compensation not only in terms of agriculture; it has broader implications on urban settlement, industrial development, etc. Mr Dzungwa proposed that a platform of this nature should be taken to the provinces for more engagement with other stakeholders.



**3.4. Commercial Agriculture perspective: Mr Omri van Zyl, AgriSA**

Mr van Zyl indicated that AgriSA represents farmers (both commercial and emerging farmers) and South Africa is the most food secure country in Africa because of the farmers' productivity. The resolution on land expropriation without compensation means that land will have zero value. Further explanation was sought from government on how the expropriation without compensation would be implemented without affecting security of property rights. Farmers are uncertain and asking if they should invest or not in their land. He further noted that there was no need to change the Constitution in order to expropriate land without compensation. There are alternatives that can be implemented to address issues around land.

*“the best way to address land reform issue is by using Section 25 of the constitution, i.e. the extension of property rights.”*



**3.5. Agribusiness perspective: Dr John Purchase, Agbiz**

Dr Purchase acknowledged the importance of land reform as it is the way forward for righting the wrongs of the past and for the development of the South African economy. He suggested that land expropriation should be done in a manner that does not negatively affect economic growth and prosperity. He said the best way to address the land reform issue is by using Section 25 of the Constitution, i.e. through the extension of property rights to the previously disadvantaged. He highlighted that there is a need to understand the role of property rights in the development of the economy. He further indicated that we need land reform, but the problem is how do we get there. Dr Purchase believed that the expropriation of land without compensation was not the way to go. There are far better ways that were proposed to the government on how to deal with the matter but were never adopted.



#### ***4. Closure: Dr Shadrack Moephuli, ARC***

NAMC, ARC and Land Bank are the three institutions of the national government that are primarily ensuring the sustainability of agriculture and provide all necessary support (i.e. financial support, and support in terms of economic understanding of markets in the sector and provide technical solutions around vaccines, increase in production, yield etc.). Therefore, it is both in the interest of three institutions and constituency to make sure that all understand where South Africa is going and it is in that particular context that the land seminar was convened. This discussion needs to continue

in terms of exploring key issues in the best interest of South Africans. He noted that the discussion indicated that South Africans need to fully understand what expropriation means before getting to the point of expropriation without compensation. The discussion around the issue of land expropriation without compensation should not be limited to agricultural sector and it needs to be spread to other sectors in order to explore other ways in which land reform could be achieved in a sustainable manner.



*5. Way forward By Mr Xhanti Payi, Nascence Research (Facilitator)*

It was suggested that the future joint initiatives between ARC, Land Bank and NAMC should include convening of a research symposium that will focus on data and evidence on land issues.







