

Budget Vote Speech by the Minister of Rural Development and Land Reform, Gugile Nkwinti

23 Jul 2014

Honourable Speaker
His Excellency the President of the Republic
His Excellency the Deputy-President of the Republic
Honourable Deputy-Speaker
Honourable Members
Colleagues, Honourable Ministers and Deputy-Ministers
Esteemed Traditional Leaders
Ladies and gentlemen

1. Introduction/Background

The Freedom Charter as the ANC-led Congress Movement's Ideological Platform.

The Freedom Charter, a product of the People's Congress organised by the ANC and its Congress Allies in 1955, remains the ANC's ideological platform; one which continues to inform and undergird policy and strategic thinking and perspectives. Unlike neo-liberalism, which propagates the invisible hand's trickle-down and ahistorical model of development, or, anarchism, which has no real ideological basis, but propagates chaos and social disorder, the Freedom Charter provides for an inclusive, redistributive model of development.

The drafters of the Freedom Charter took into account the country's Colonial and Apartheid past, whose legacy could never be reversed through unmediated and unmitigated strategies and tactics.

As part of its work towards the installation of our democratic dispensation, the ANC developed the Ready To Govern document, which has four pillars, being

- a) to strive for the achievement of the right of all South Africans, as a whole, to political and economic self determination in a united South Africa;
- b) to overcome the legacy of inequality and injustice created by colonialism and apartheid, in a swift progressive and principled way;
- c) to develop a sustainable economy and state infrastructure that will progressively improve the quality of life of all South Africans; and,
- d) to encourage the flourishing of the feeling that South Africa belongs to all who live in it, to promote common loyalty to, and pride in, the country; and, to create a universal sense of freedom and security within its borders.

Informed by this socio-economic framework, the ANC developed its economic policy, the mixed economy, premised on the spirit, if not also the letter, of the Freedom Charter.

The mixed economy policy framework provides for public, private and household participation. The provision for direct public sector participation comes from the recognition that, given our history of Colonialism and Apartheid, which used race and class as key determinants in the distribution of national assets and resources, it was not possible to achieve a just and equitable redistribution of our country's wealth, as dictated by the Freedom Charter, unmediated and unmitigated.

The people shall share in the country's wealth!

Both the letter and spirit of the Freedom Charter find expression in the Constitution of the Republic in that the latter provides for a representative and participatory system of democracy. The Honourable Members of this House have been distributed according to the will of the people, expressed through democratic elections.

Yet, notwithstanding the democratic mandate Members received to pass legislation, they still go out there and consult the people when considering Bills from the government. Before it submits Bills to this House, the government subjects them to public scrutiny, including through the National Economic Development and Labour Council (NEDLAC). All this is in keeping with the tradition of the Freedom Charter.

The people shall govern!

The ANC's 53rd National Conference confirmed resolutions taken by its 52nd one on rural development, agrarian change and land reform. The 53rd Conference passed resolutions which sought to make a break with Colonial and Apartheid systems and patterns of land ownership and control in the country.

The political thread which ran through all presentations, including the Presidential Address, and discussions during the Conference was 'Radical socio-economic change during this Second Phase of the Transition from Colonialism and Apartheid to a national democratic society'; a transition from Colonial and Apartheid system of development, based on institutionalised race and class discrimination, to an inclusive, redistributive one, based on the Freedom Charter.

The ANC 53rd National Conference Resolutions

The 53rd National Conference resolved on rural development and land reform, the land audit, willing buyer willing seller model and a land tenure system.

Rural development and land reform

In the 52nd Conference, we identified land reform and rural development as a priority. As we approach the centenary year of the 1913 Natives Land Act, the African National Congress recommit itself to urgently accelerate the pace of land reform in South Africa.

In giving expression to this urgency:

- Land reform must represent a radical and rapid break from the past without significantly disrupting agricultural production and food security.
- The state must mobilise resources to reverse both the human and material conditions of those displaced by previous land policies; and, therefore, resolves as follows:
 - Transformation imperatives, dealing with the triple challenge of poverty, unemployment and inequality in rural areas ought to be addressed, without further delay.
 - Equitable land allocation and use across race, gender and class, must be ensured.
 - Agrarian reform: Balancing land transformation with production discipline for food security must be implemented.

Land Audit

We re-affirm the Polokwane (52nd National Conference Resolution) that a comprehensive audit of state owned land be completed urgently.

Willing Buyer Willing Seller

We re-affirm the following proposals:

- Replace willing buyer willing seller with the ‘Just and equitable’ principle in the Constitution immediately where the state is acquiring land for land reform purposes.
- Expropriation without compensation on land acquired through unlawful means or used for illegal purposes having due regard to Section 25 of the Constitution.
- Expedite the promulgation of the new Expropriation Act.

Land Tenure System

A four-tier system is recommended:

- State and Public land: leasehold.
- Privately owned land: freehold with limited extent.
- Land owned by foreign nationals:
 - No ownership of land by foreign nationals as a principle.
 - Convert current ownership into long term lease after land audit has been finalised.
- Communal land: communal tenure with institutionalised use rights.
 - Taxation of under-utilised land, in both communal and commercial areas.
 - Expedite the Tenure Security Policy and bill against farm evictions.

This resolve, demonstrated by Conference Delegates, and translated into radical resolutions, created a mood of hope for real change, not only among ANC members following proceedings from home, but among the majority of South Africans, particularly the poor and working class, pinning their hopes on the African National Congress and its government to bring about a better life for them, their families and generations to come.

One of the ground-breaking decisions taken by the ANC's 53rd National Conference was the adoption of the National Development Plan (the NDP), as the country's vision for development. The six pillars of the NDP on rural development and land reform are set out in the next section of this Presentation.

The Comprehensive Rural Development Programme (CRDP), which had been adopted by the Cabinet in 2009, is based on the ‘Ready To Govern Document’; and, incorporates the provisions of the National Development Plan (NDP) on rural development and land reform.

The pillars of the CRDP are:

- a) meeting basic human needs (reference Reconstruction and Development Programme);
- b) rural enterprises; and,
- c) rural industries, sustained by markets and credit facilities.

The strategy of the Department is Agrarian Transformation, meaning “Rapid and Fundamental Change in the Relations (systems and patterns of ownership and control) of land, livestock, cropping and community.”

2. Moving South Africa Forward: The Country’s Vision 2030

2.1 The National Development Plan

Radical change must bring real benefits to working people and the poor across South Africa. The National Development Plan (NDP) provides a long term vision for accelerating development so that unemployment and inequality could be reduced, creating a more inclusive society.

The NDP is the road-map for our programmes; and its Chapter Six sets out the trajectory for rural economic transformation and development. The vision is rural areas that are spatially, socially and economically well integrated - across municipal, district and provincial and regional boundaries - where there is economic growth, food security and jobs as a result of agrarian transformation and infrastructure development programmes with improved access to basic services, health care and quality education.

The Commission proposes a differentiated rural development strategy that focuses on:

- Agricultural development, based on successful land reform, employment creation and strong environmental safeguards. To achieve this, irrigated agriculture and dry-land production should be expanded, with emphasis on smallholder farmers where possible. To this end, established agricultural industries must be enabling partners.
- Quality basic services, particularly education, health care and public transport. Well-functioning and supported communities enable people to seek economic opportunities. This allows them to develop their communities further through remittances and the transfer of skills, which will contribute to the local economy.
- In areas with greater economic potential, industries such as agro-processing, tourism, fisheries (in coastal areas) and small enterprise development should be developed with market support. Special focus to enhance skills and capabilities of rural women entrepreneurs with access to land and finance.

The strategy should ensure access to basic services, food security and the empowerment of farm workers. It should also recognise the wide range of opportunities present in rural areas and develop strategies tailored to local conditions. Institutional capacity is integral to success, especially in the reforms required to resolve contested relationships between traditional and constitutional institutions.

In areas with greater economic potential, industries such as agro-processing, tourism, fisheries and small enterprise development should be developed.

Making land reform work – land reform is necessary to unlock the potential for a dynamic, growing and employment-creating-agricultural sector. The proposed model is based on the following principles:

- Enable a more rapid transfer of agricultural land to black beneficiaries without distorting land markets or business confidence in the agri-business sector.
- Ensure sustainable production on transferred land by making sure that human capabilities precede land transfer through incubators, learnerships, apprenticeships, mentoring and accelerated training in agricultural sciences.
- Establish monitoring institutions to protect land markets from opportunism, corruption and speculation.
- Bring land transfer targets in line with fiscal and economic realities to ensure that land is successfully transferred.
- Offer white commercial farmers and organised industry bodies the opportunity to significantly contribute to the success of black farmers through mentorships, chain integration, preferential procurement and meaningful skills transfer.

The proposed model: Each district municipality with commercial farming land in South Africa should convene a committee (the District Land Committee) with all agricultural landowners in the district as well as key stakeholders such as private sector (commercial banks, agribusiness), the government (the National Department of Water Affairs (now the Department of Water and Sanitation) and provincial departments that deal with rural development, land reform and agriculture) and government agencies (the Land Bank and the Agricultural Research Council).

2.2 The President's State of the Nation Address (June 2014)

His Excellency, The President, during both State of the Nation Addresses (SONAs) in February and June 2014 said: "The next Administration will need to take forward a number of policy, legislative and practical interventions to further redress the dispossession of our people of their land".

Therefore, the policies that will drive actual socio-economic change and interventions in rural South Africa will include:

- The democratisation of decision making in matters of land administration and development;
- Facilitating scaled up land reform; and,
- Instituting legally secure tenure and managed agrarian transformation as a basis for broader rural development.

To this end, we have undertaken a series of policy, legislative and institutional reforms, with the aim of accelerating land reform, tenure reform, land development and rural economy transformation based upon the agrarian strategy addressed earlier. Working together with the Economic Sectors, Employment and Infrastructure Cluster Departments, we will advance our policy, legislative and institutional reform processes.

Honourable Members, the policies that we will be focusing on in the 2014/15 financial year include: Communal Land Tenure, Communal Property Associations, Regulation of Land Holdings, Electronic Deeds Registration and the Extension of Security of Tenure for farm dwellers, tenants and workers. We will continue codifying the Exceptions to the 1913 cut-off date with respect to heritage sites, historical landmarks and the descendants of the Khoi and San.

Discussions on policy proposals on Strengthening the Relative Rights of People Working the Land will continue. We appreciate the current public discourse as it will enrich the discussions. South Africans are talking!

Let us remind ourselves of the words of our President, his Excellency Nelson Rolihlahla Mandela, addressing parliament in the President's Budget Debate on 18 August 1994: "To present a facade of unity on each and every issue would be artificial, undemocratic and patently pretentious. The more these issues are aired and opened up for public debate, the better for the kind of democracy we seek to build. Handled within the bounds dictated by the interests of coherent and effective governance, such debate will definitely enrich our body politic. This applies equally to debate within parties about how to manage this novel experience."

Again, when he addressed a rally in Durban on the 25th of February 1990, he had the following to say: "Since my release, I have become more convinced than ever that the real makers of history are the ordinary men and women of our country. Their participation in every decision about the future is the only guarantee of true democracy and freedom."

In so far as legislation development and institutional reforms are concerned, the following Bills will be introduced to Parliament for consideration:

- Electronic Deeds Registration Bill, 2014
- Regulation of Land Holdings Bill, 2014
- Extension of Security of Tenure Amendment Bill, 2014
- Communal Property Associations Amendment Bill, 2014
- Communal Land Tenure Bill, 2014.

Madam Speaker, the electronic system, we plan to implement through the Electronic Deeds Registration Bill, will allow us to achieve universal, countrywide access to deeds registration and cadastral or Surveyor-General's services. It will decrease turnaround time for approval and registration of property. The Deeds Office processes almost a million registrations per annum, but the current process is manual.

We believe this is a progressive piece of legislation that will have an immediate impact once operational. It will allow for the current paper based system for lodgement and registration of deeds, which requires the conveyancer to appear in front of the Registrar of Deeds, to lodge electronically.

The second Bill that we will bring before Parliament this year is the Regulation of Land Holdings Bill, 2014. This Bill seeks to provide for the establishment and composition of a Land Commission, the appointment, qualifications and remuneration of members of the Land Commission, the classification of controlled land, the determination of land ceilings and the regulation of land ownership by foreign nationals.

Through this Bill, we seek to provide a legal framework for the disclosure of race, gender and nationality by owners of land and property (both natural and juristic). It will provide a transparent and more conducive regulatory environment for the generation and utilisation of policy-relevant information on land ownership and usage.

The third Bill, Madam Speaker, which is the Extension of Security of Tenure Amendment Bill, 2014, in the main attempts to address legitimate aspirations of the vulnerable groups in commercial farming areas, namely, the farm workers and farm dwellers. The Bill further proposes the establishment of the Land Rights Management Board with District Land Reform and Local Land Rights Management Committees. The latter two will provide a participatory platform for stakeholders.

The Bill envisages strengthening, clarifying and protecting the rights of various categories of persons within the Commercial farming space. It is strongly believed that the Bill will help bring about a stable, cohesive and conducive atmosphere in the farming communities.

The fourth Bill which is the Communal Property Associations Amendment Bill, 2014, seeks to ensure greater efficiency in the registration of Communal Property Associations, improved levels of social stability within affected groups or communities, as well as improved accountability to Parliament by the department. This Bill will provide for security of tenure through the registration of title deeds in the name of individual households. This will apply to both farm dwellers and labour tenants.

The fifth Bill, which is the Communal Land Tenure Bill, 2014, seeks to:

- reform communal tenure to provide for the institutionalisation of land use rights by individual households, irrespective of gender;
- define institutional roles and roles-relationships;
- provide for the distinction between governance and investment and development entities in the communal space;
- delineate responsibilities of the governance and investment and development entities;
- establish an accountability regime for the governance structures and the investment and development entities;
- protect communal land from land sharks; and,
- provide for active participation by households in strengthening the capability of the local sphere of government.

Madam Chair, you would have observed that most of the proposed pieces of legislation are about ensuring that Together we Move South Africa Forward. I am confident that with these policies and pieces of legislation, the ANC-led government will be well poised to accelerate the process of rural development and land reform.

2.3 The Medium Term Strategic Framework (2014 - 2019) 6 Key Priorities

Chapter 7 of the Medium Term Strategic Framework as adopted by the June 2014 Cabinet Lekgotla provides six strategic imperatives towards achieving comprehensive rural development, namely:

- Improved land administration and spatial planning for integrated development in rural areas;
- Sustainable land reform (agrarian transformation);
- Improved food security;

- Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation;
- Increased access to quality basic infrastructure and services; particularly in education, healthcare and public transport in rural areas;
- The growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages and increased investment in agro-processing, trade development and access to markets and financial services resulting in rural job creation.

To achieve these strategic imperatives, we will strengthen coordination across the three spheres of government and external stakeholders.

The aim of the strategic framework is to reduce rural poverty, unemployment and rural-urban inequality by creating vibrant, equitable and sustainable rural communities. This will contribute towards rural livelihoods; thus, progressing towards achieving the targets set in the National Development Plan.

3. The Strategic Plan (2014-2019) and Annual Performance Plan

The departmental Strategic Plan (2014 – 2019), as well as the Annual Performance Plan (2014 – 2015) have been submitted to Parliament, in terms of the Rules of Procedure.

We acknowledge that to enable the department to deliver on its ambitious programmes, its capacity will have to be dramatically strengthened. This should include communication with stakeholders and strategic partners.

Apartheid's spatial design (patterns) inevitably resulted in fragmented and segregated development planning, without viable economic, social and cultural linkages between the economically active and relatively prosperous commercial urban areas of the country and the rural hinterland. To address this colonial/apartheid legacy, the department will work with particularly Cooperative Governance and Traditional Affairs (COGTA), municipalities, traditional councils and the National Planning Commission in the implementation of the Spatial Planning and Land Use Management Act (SPLUMA).

Madam Speaker, the Property Valuation Act of 2014 gives effect to the just and equitable compensation provision in the Constitution. The department is currently preparing for the establishment of the Office of the Valuer-General with all the necessary resources.

In his SoNA (June 2014) the President had the following to say about youth development and empowerment: "Youth empowerment will be prioritised in our economic transformation programme".

In this regard, the department is in the process of establishing a Mega Cooperative for the 14 000 strong NARYSEC participants. The envisaged cooperative will be member-owned with strategic support from the department and other sister departments, such as the Department of Trade and Industry, the Department of Agriculture, Forestry and Fisheries, the Department of Small Business Development, the private sector and state owned entities.

The department, through its Rural Enterprises and Industries Development Branch, has prioritised five commodities for value add.

These are:

- Grains: Maize, wheat, soya beans and dry beans;
- Vegetables, including indigenous vegetables and medicinal plants;
- Livestock: Red Meat and Wool;
- Poultry: Caged Broilers and Free Range; and,
- Arts, Crafts & Apparel

Recently, the department launched the first rural women owned Arts and Crafts Retail Shop and Warehouse in Durban. This will serve as a market and retail facility for enterprises of rural women in arts and crafts. Last weekend the department engaged 477 delegates from 93 arts and crafts cooperatives where a decision was taken to establish a Mega Cooperative, the detail of which will be given by Deputy Minister Mashego-Dlamini.

It is common knowledge now that the Restitution of Land Rights Amendment Bill has been signed into law. On 1 July 2014, Mr Petrus Faniso lodged the first claim at the George office. We have already received in excess of 3 000 claims across the country.

As part of the communication strategy with land claimants, particularly those who lodged claims by the closing date of December 1998, the department has decided to put up notices in municipalities across the country to solicit the support of the municipalities in organising these claimants to meetings with officials of the Land Claims Commission as part of accelerating the settlement of the outstanding claims.

4. Budget Summary

Budget Per Programme - 2014/2015 to 2016/2017 MTEF			
	2014/2015	2015/2016	2016/2017
R'000	Allocation	ENE Indicative	ENE Indicative
1. Administration	1 169 693	1 241 191	1 317 626
1 Geo-spatial and Cadastral Services	774 865	826 464	877 849
1 Rural Development	2 011 619	2 006 086	2 226 242

1	Restitution	2 680 742	2 661 400	3 258 462
1	Land Reform	2 818 386	2 839 333	2 993 108
Total		9 455 305	9 574 474	10 673 287

5. Conclusion

Let me conclude by quoting from Andre Odendaal's book, *The FOUNDERS: The ORIGINS of the ANC and the STRUGGLE for DEMOCRACY in South Africa*, as he reflected on political representation of black South Africans in the law-making institutions in South Africa, during the 1910 general elections: "All that remained to complete the composition of the South African parliament, after the general election of September 1910, was the announcement of the eight senators nominated by the cabinet. Thirty-two members of the Senate of forty had already been chosen by the Colonial Parliaments in their final sessions. Four of the nominated senators (the 'native senators') were to be chosen 'on the ground mainly of their thorough acquaintance... with the reasonable wants and wishes of the Coloured races in South Africa.'"

In the event, the final list of names of the eight nominated senators was announced on 13 October. The four chosen to represent black interests were WP Schreiner, Colonel Stanford, JC Krogh and FR Moor. The choice of Schreiner was universally approved. (King) Dinuzulu spoke for many Africans when he told Schreiner: "All my trust is on you.... May the Lord keep you, and give you power fearlessly to advocate the JUST AND EQUITABLE treatment of the Natives of South Africa."

Thus, the notion of justice and equity in redistributing national assets and resources among all South Africans was not invented by the founding fathers and mothers of our country's democratic constitution (s25) in 1996. It was already the cry of black South Africans more than a century ago. We dare not let them down!!!

Together moving South Africa forward!

I thank you.

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