

## Damaging myths on the land issue undermine and politicise reform debate

*The issue in SA should not be about the quantity of land ownership in black hands but the quality and value of the land and secure property rights.*

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IN A scene from the movie *Gone with the Wind*, heroine Scarlett O'Hara's Irish immigrant father admonishes his headstrong daughter, telling her that "land is the only thing that matters because it is the only thing that lasts". Well, he was half right: land certainly matters, not just because it lasts but because it has a value as a tradable security against which owners can raise money to start a business, pay for education, access healthcare and otherwise improve their lives.

The issue in South Africa should not be about the quantity of land ownership in black hands but the quality and value of the land and secure property rights, which are one of the most important requirements for the protection of economic freedom and civil liberties.

South Africa's land acts were regarded as the cornerstone of apartheid and made the biggest contribution to psychological, political and material dispossession of black South Africans. The land question remains one of the most problematic and conflict-provoking aspects of post-apartheid South Africa.

The land debate consists primarily of an acrimonious discourse about land redistribution from whites to blacks that is so overpowering that scant attention is paid to other aspects that have greater potential for black economic empowerment.

Retribution and compensation for lost ancestral land is an emotive and complex issue and needs to be addressed separately from that of land redistribution. There is plenty of land available to distribute without resorting to Zimbabwe-style land grabs or abandoning the policy of "willing buyer, willing seller". This point is being lost in the political hijacking of the whole issue by unscrupulous politicians for their own ends.

Land ownership — or lack of it — has given rise to several powerful and damaging myths, which have politicised the argument. The first is that land reform revolves around restitution or redistribution of "rural" land. In developed countries, most of the population lives in urban areas, with less than 5% living in rural areas. Urbanisation is desirable social progress and brings infrastructure, better facilities, transport and access to cheaper and better housing and schools. Land reform should be concerned with access to land and housing in urban areas, and the mind-set that it is about rural land should be abandoned.

While it is fact that the apartheid confiscation of land destroyed the livelihoods of many subsistence farmers, most young South Africans today do not want this way of life.

The second myth is that land ownership is an important component of black advancement and liberation, even though most people in advanced countries do not own land but live as tenants or leaseholders on someone else's land. If South Africa is serious about economic development, it should aspire to land being used efficiently rather than being obsessed with who actually owns parcels of land.

Another myth is that land reform entails redistributing land from whites to black when the reality is that, although no one knows accurately who owns what land in South Africa, the government inherited extensive government-owned land from the apartheid regime. This land is unused or underused and is readily available for redistribution to landless blacks. Much of this is in the former "homelands", townships and informal settlements and could be handed over immediately to current occupiers at virtually no cost. This would result in millions of black landowners with assets that can be traded, mortgaged, let and developed and billions of rand of capital unleashed into the economy. This is real economic freedom.

The government should transfer this superfluous state land to the homeless free of charge. An allocation of 5ha per rural family and 200m<sup>2</sup> per urban family would absorb only a small part of the government's land holdings. This land should be defined and allocated under a simple, low-cost form of registration, defining the boundaries by description and sketch plans and making existing land survey and deed-registration formalities inapplicable. Transfer of title should be accompanied by a removal of the red tape that prevents people from building their own homes. Thereafter, draw a line in the sand regarding government responsibility for providing free housing into perpetuity. Newly formed households (for example, children getting married) will have to buy, build or rent in a normalised market. There are virtually no budgetary implications for this land reform option.

A fourth myth says current land reform and restitution has and will continue to restore land or redistribute land to black South Africans. It has not and will not, under the current policy. Eighteen years after transition to black rule, most black South Africans still live under the legislative progeny of the land acts. Rural Development and Land Reform Minister Gugile Nkwinti recently announced the intention to repossess land not being used to the government's satisfaction. This means black South Africans are still being treated as inferior and being given inferior title. One of the reasons they are not using the land to the government's satisfaction is that they are not free to dispose of it or encouraged to invest in it.

If black South Africans had the title they should have in a truly nonracial South Africa, they would be free to sell the land in an open and free market. The legacy of apartheid lives on in that even the post-apartheid regime has not fully embraced treating black South Africans the way people are treated in historically white areas.

Black South Africans constitute 80% of the population and live primarily on urban "plots", which they hold under a range of limited forms of tenure. The balance live on plots or farms in rural areas (former "homelands"), also under a range of forms of tribal tenure. About 3,4-million black families have been housed in RDP houses, where pre-emptive clauses distinguish their ownership from that of whites — and this remains a source of frustration and resentment. This clause prohibits the sale of an RDP house for eight years, is largely unenforceable and has led to a grey market with an 80% "illegal" occupancy of RDP houses.

The problem is not one of land ownership per se, but of urban land ownership for the majority and the freedom to trade this asset as people see fit.

The government needs to play its part actively by the redistribution of underused and unused land held and RDP home "owners" being given equal rights and title with other homeowners.

Below is a proposal for a five-point plan to address real and effective land reform:

- All black-occupied council-owned urban plots should be converted to freehold ownership immediately;
- Superfluous government land should be redistributed to the victims of apartheid as a substantial one-off compensation;
- Pre-emptive clauses should be removed from existing and future RDP titles;
- In tribal areas, communities should be allowed to grant private title over homesteads while maintaining communal rights over arable land; and
- The Subdivision of Agricultural Land Act should be repealed to make it easier for poor individuals to finance smaller, more affordable plots. Lowering the statutory costs of subdividing and transacting farm land means commercial banks can finance applications from lower-income earners.

Scarlett O'Hara might then have replied to her father: "Land matters because it has an indisputable lasting value."

- *Louw is executive director of the Free Market Foundation.*