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Gentrification, foreign land-ownership and market-led land reforms in South Africa.

by
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Introduction

Recent calls by President Thabo Mbeki and Minister of Agriculture and Land Affairs, Thoko Didiza, for the setting up of a ten member panel to probe the impact of foreign ownership in South Africa on land and property prices have been met with much public debate. However, in the blinding dust of acrimony that has taken place, the various protagonists have failed to locate the origins of the current land crisis in SA in the middle ground demarcated by the double bind of policies of reconciliation (without social justice) and so-called market friendly land policies adopted by, first the Zimbabwean government throughout the 1980s and subsequently, by Namibia and SA in the 1990s. Using Zimbabwe's experience with the 'willing-buyer willing-seller' principle in the 1980s and 1990s, the paper tries to expose the fallacy of market-led land reforms and the lessons that Namibia and SA need to learn. While the 'willing-buyer willing-seller' principle sounds and appears good for liberal democracy, and of course, the much sought after but, elusive international investors, this method of land reform is extremely expensive and slow. Not only has it reduced the country's land reform programme into an empty bundle of promises, but it has also led to land speculation, with landowners seeking super-profits by selling land to the highest bidders. The highest bidders are largely SA's new and rapidly swelling class of the well-connected and sometimes influential foreign 'landed gentry' and property 'barons' from northern countries. Under these circumstances, even if the government and locals are willing to buy land, the twin problems of spiraling costs and limited resources will conspire or render them into 'unable' or 'disabled' buyers. Even more worrying is the fact that if the current 'wave of foreign land invasions' in SA is left unchecked, the country's already troubled land reform programme will become hostage to 'investor sentiment' and powerful external interests.

Part One
State of land reform in SA

In South Africa, where dispossession of native peoples was much more brutal and thorough than any other in the region, the fruits of liberation have yet to be tasted by the majority of the rural population. Two thirds of the country, including most of the best quality land remains in the hands of less than 60 000 white owners, while fourteen million blacks eke out a precarious existence in the former homelands and urban informal settlements. The three legs of the land reform programme *restitution, redistribution and tenure reform* were set out in the 1997 white paper on land policy, with the first two being the main tools for handing land to the dispossessed

Global Insight **covers areas of topical interest and is meant to provide the reader with an initiation to the subject and its policy implications. The analysis is meant to be simple yet elegant, and without sacrificing depth, useful to a broad policy community. We welcome and encourage comments and suggestions.**

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