

Land reform, more emotion than sobriety

Next year 100 years will have passed since the promulgation of the 1913 Act that severely stripped and restricted the rights of Black South Africans to own land in SA. We unpack some of the issues.

First the basic data

Agricultural land is estimated to cover 94.5 million hectares of SA's land. The balance is covered by towns and cities and land used for mining and non-agricultural activities. In 1994 it was broadly estimated that 82 million of those 94.5 million agricultural hectares belonged to White farmers (the infamous 87%/13% division between Whites and Blacks). The ANC then made the promise to re-distribute 30% or 24.6 million of the agricultural hectares to Black South Africans. In May 2012, to the month 18 years since the ANC took over, 7.95 million hectares have been bought and transferred to Black people. That is 32% of the total promised or 10% of all white-owned agricultural land (7.95 million hectares of 82 million).

The total cost to date, including administration and salaries, has amounted to R35 billion.

This money has been spent on three land reform programmes:

- restitution (rights based; citizens were compensated for rights infringed since 1913);
- redistribution (government bought land from private landowners and transferred it to Black owners); and
- Land tenure rights (a vitally important issue for a future article).

State deals but what about private deals?

The 7.95 million hectares only refers to land transferred by the government, under government schemes and with public money. However, many private transactions have also taken place since 1991 when the prohibition on Black ownership was lifted by the De Klerk government.

A black medical doctor that buys a farm in the Lowveld, two Black businessmen from Johannesburg who used their earnings/share options to buy farms, a business entrepreneur that wanted to "get into food production" and bought a farm – these are examples I have personally encountered. How many more of these are there?

A recent report by Professor Johann Kirsten, dean of Pretoria University's Agricultural faculty, addressed precisely this issue. Several grass roots verification exercises have been done in different parts of the country where ownership was verified and cross-checked. They reveal that Black ownership of agricultural land ranges from 15% to 28% of all privately held agricultural land. In some municipalities Black ownership is as high as 40%!

In what is arguably the most hotly contested land area in the country, KwaZulu-Natal, 2.4 million hectares of privately owned land has been verified and cross-checked. Prof Kirsten found that almost 40% (39.8% to be precise) belongs to Black individuals or communities. White owned land in KZN now constitutes only 24% of all land in the province *that can currently be verified*. The rest belongs to the State, parastatals and the Ingonyama Trust controlled by the Zulu king.

Prof Kirsten's work indicates that SA may be much closer to the 30% redistribution target than any of us have imagined. We tend to focus just on what the State has done, but there is also a functioning private market where land changes hands. A proper land audit is now vitally important. One has been under way for 3 years and the Land minister has promised the results by the end of this year.

The interpretation game

Is money land?

Under the restitution programme many claimants were paid monetary compensation and did not receive land back. In fact, in urban areas the majority of land claimants received money and not land. In rural areas it was the reverse; the majority of claimants receive land. This compensation is included in the R35 billion expenditure mentioned earlier.

Monetary compensation did compensate people for rights infringed, but it did not help that much to change land ownership statistics. Should one now count compensation as land redistributed. The Minister of Land Affairs says his Department is working on it. The Department of Land Affairs is working on the hectares equivalent of this monetary compensation. The SA Institute for Race Relations has done their own estimates on the land equivalent of compensation paid and suggested that it amounts to 2.6 million hectares.

Is State land Black?

Some people count land in state ownership as Black land. This is problematic.

The state represents all citizens' not just Blacks. Thus state land belongs to all citizens. Can we really say the Parliamentary precinct or the Unions Buildings estate belong to Blacks? Or that game reserves and the large tracts of state land used for military purposes (think of the vast Lohatla military training grounds in the Northern Cape) are not public goods that belong to everybody? In fact, it seems to me to classify such land as "Black" is simply to reinforce the notion that Blacks belong in the State sector and Whites in the private sector. That is precisely not the kind of society we want to build nor indeed one that is sustainable. It is actually perplexing that it is "free market liberals" who advance the argument that State equals Black!

No, I prefer Prof Kirsten's approach. Check the title deeds from the ground up and that is the basis for determining how much belongs to whom. Make the individual the basis for ownership, not an amorphous state.

To whom do RDP houses belong?

Although this issue is not part of the "30% of agricultural land" issue, there are many myths around this and a brief comment is warranted.

Most RDP houses belong to the occupants. There are cases where land has not yet been surveyed by the surveyor-general or for some other technical reason cannot be registered in the Deeds Office, but this is a minority of the 2.6 million RDP houses built since 1994.

Likewise, the State's old rental stock inherited in 1994 has by and large been transferred to occupants. There was a time when the biggest "client" of the Deeds Office in Gauteng was the provincial government transferring rental stock to inhabitants. It does not affect agricultural land ownership, but it does mean that billions of Rands of value has been transferred into Black hands.

Productivity v Equity

Horror stories of land transferred to Black farmers which then fall into neglect and disuse regularly dominate the news. The minister of Land Affairs himself stated that "90%" of farms transferred suffered this fate.

Bluntly and coldly, what is the alternative? No land restitution for previous dispossession? No attempts to redistribute land? Inaction is neither a political nor a wise option. To ignore equity and talk productivity only, is to ultimately destroy productivity. Just as equity only, as Zimbabwe did, also undermines productivity.

Much better to transfer, learn lessons and amend our thinking about and approach to the issue. That is precisely what has happened since 1994. ANC thinking on land is now very

different from a few years ago (not the Youth League of course!). I think of it as school fees – the price we pay for learning how to deal with this vexed issue that has built up over more than a century.

I take consolation from the fact that SA Reserve Bank data indicate agricultural productivity is now some 20% higher than in 1994. As Professor Kirsten's work show, we are progressing with land reform and productivity is up too. In our context, what is not to like!