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## Redistribution and access in a market-driven economy

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In this article, **Stephen Greenberg** outlines how land dispossession and control over land access were at the centre of apartheid as a system of economic and social organisation. He shows further that in response to the legacies of this model, post-apartheid government adopted a market-centred approach to development, including in its land reform programme. The result has been a failure of rural land redistribution to date, because the market is biased towards those with resources. In urban areas, a top-down and technocratic model of urban land planning and settlement is shaped by the desire to attract large-scale capitalist investment. It has inflamed conflict between planners and resource-poor communities who find themselves in the path of a development agenda that has no space for them.

## Introduction

'Without land there can be no development' has become a popular slogan. It points out that it is impossible to build infrastructure or engage in productive activity if there is no land to do it on. Given that most land in South Africa remains privately owned by a minority, this suggests a crisis for development. However, 'development' can be taken to mean many different things. And in South Africa, development has been wedded to a neo-liberal capitalism that places economic growth ahead of social justice, and locates the market at the centre of developmental activities. From the 'willing buyer-willing seller' model of land reform, to policies that insist that citizens, as consumers, must pay the total cost of the delivery of services, the market rules in post-apartheid development discourse. But what is apparent is that markets allocate resources on the basis of 'effective demand'; goods and services flow towards those who can pay the market rate for them. This means that the majority are marginalised from the same development processes that are meant to benefit them.

This is true for the land reform programme in post-apartheid South Africa. Under apartheid, access to land in both rural and urban areas was restricted and controlled by white minority governments in favour of capital accumulation strategies and white privilege. In the post-apartheid era, the development approach complements restructured accumulation strategies of capital, initiated in the 1970s in response both to a global accumulation crisis and to local resistance to attempts by the apartheid state to reformulate its methods of control.

The result was the formal (legal) deracialisation of land ownership, with increasingly global markets dictating the nature and direction of economic growth. Markets also determine the form and extent of redistribution of opportunities and resources; state intervention is limited to assisting those previously marginalised from markets to participate in them more effectively. For those entirely outside the economic loop, benign neglect sometimes becomes force, when the marginalised suddenly find themselves up against a technocratic and profit-driven development juggernaut that displaces them in favour of whatever projects are deemed to be in the national interest.

This article shows how the African National Congress (ANC), as the political leadership of the liberation movement, chose to trade off economic continuity for political democratisation. This trade-off has had far-reaching implications for the

possibilities of radical transformation in the country, including the redistribution of land and participatory and democratic decision-making. While brief mention is made of land and development in the urban areas, the focus in this *Development Update* is rural, as urban development will be covered in a future edition.

## Background to dispossession

Control of ownership and access to land formed the basis of the colonial and apartheid systems in South Africa. First, the black population was forced into small pockets of space and the remainder of the land gradually brought under the market system. Land then came under white ownership, conferring the right to the newly defined owners to buy and sell the land as they pleased. Although the land was still occupied by the black population in many areas, they were forced to negotiate with the legal owners for access.

In the reserves (later the bantustans or homelands), the population had tenuous and insecure access to the land, with few legal rights, as the land was administered and owned by the state, ostensibly on behalf of the population living there. This meant that the bureaucracy of the state at national and local level could determine rights to land at any time. As the state manipulated access to land for its own purposes, landlessness became increasingly common. In particular the 'betterment' planning from the 1940s and 1950s rearranged traditional settlement patterns. This forced the population, unfortunate enough to be residing in the reserves, into planned settlements that separated access to residential land from access to land for productive use. Gradually, the reserves came to be used as dumping grounds for the population not needed by the formal economy, and landlessness became widespread, particularly among women.

In the white-owned areas that became commercial farms, labour tenants and farm workers were at the mercy of the landowners, and had continually to renegotiate the terms of increasingly limited access to the land. For labour tenants, the basis of the contract with the landowner was the exchange of work for access to land. As Abdoesalaam Isaacs shows in his article on trapped labour on the farms, labour tenants came under pressure to release their hold on the land and adopt a straightforward wage relationship with landowners. Despite the eventual outlawing of labour tenancy, however, tenants have held tenaciously to their meagre access to land in some parts of the country, particularly in northern KwaZulu-Natal and southern Mpumalanga.

In contrast, farm workers did not have any historical claim on access to land in the commercial areas. While some farm workers had access to a small plot for cropping, or the right to run a small amount of livestock on the farm, this was entirely based on the charity of the landowner. A change in ownership often meant the summary loss of access to the land, with no legal basis for challenge. Millions of families lived in these conditions, with employment – under harsh conditions bordering on coercion – the only link between them and their hold on the land.

These encroachments on access to land were not accepted by the dispossessed without question. A constant, nearly imperceptible, battle between the rural dispossessed and landowners runs through the history of rural South Africa. The removal of fencing, the illegal settlement of land, and stock theft, have all been weapons in the informal negotiation of boundaries between tenant and landlord. Even in the reserves where the state owned the land, mass resistance to betterment and later to forced incorporation of communities into the homelands punctuated the development of the agrarian system.

This rural dispossession formed the backdrop to an equally harsh system of control over land access in urban areas. Until the mid-1980s, black urban dwellers were regarded as temporary residents in white cities and towns. This policy was enforced through influx controls (such as the pass laws) and the housing of workers in single-sex hostels (Boraine, 1989:106). Black residents of cities and towns were removed from the central areas to segregated dormitory townships. The city was organised in a fragmented way, with residential areas spatially separated from employment, and vast buffers of open space between compartmentalised mono-use areas (Dewar, 1988:159). People come to urban areas to find paid work and not primarily for housing, and so urbanisation strategies cannot be limited to the provision of housing. However, under apartheid, access to housing was a key tool of control.

At the height of apartheid in the 1960s, the state attempted not only to contain black urbanisation but also to reverse it. This included a freeze on land development and building of family houses in the black townships, and the removal of freehold rights (Boraine, 1989:107). On the mines, the workforce allowed to settle on mine property was restricted by the government to 3 per cent, although few mines even reached this proportion, preferring the migrant labour system (Crush, 1989:337).

Changing economic patterns and resistance to this strategy of control led to a policy of 'orderly urbanisation' from the early 1980s onwards. This strategy aimed to retain a core group of 'insiders' – permanent workers who would be able to live and own property in the urban areas – and a large periphery of 'outsiders' who would serve as a migrant labour force with limited or no rights in the cities. Again, access to housing was one of the key methods of control, with the law permitting only those with approved accommodation to remain in the cities and towns. The Prevention of Illegal Squatting Act and the Slums Act outlawed informal methods of acquiring residence, and those found guilty were forcibly removed from the urban areas (Unterhalter, 1987:41). The responsibility for the provision of formal housing was shifted to the private sector and to employers (South African Institute of Race Relations, 1992:346). Mass resistance, however, prevented the wholesale adoption of this strategy. The state embarked on a vicious crusade to remove peripheral workers to the bantustans during the 1980s, but was unable to stop the growth of vast informal settlements on the margins of cities and towns.

## Constructing land reform in the transition<sup>1</sup>

In the years immediately preceding the collapse of apartheid, and in the transitional period between the unbanning of the organisations of the liberation movement and the sealing of formal political democracy in 1994, the ruling class attempted to adapt to the inevitability of majority rule. Efforts were made to develop and even implement laws and policies that encouraged a market-driven model of development. With regard to land access, these attempts translated into the legal deracialisation of ownership and the consolidation of the land market with private individual ownership at the core. These were the explicit aims of the 1991 White Paper on Land Reform. With this Paper, a number of laws were passed. The Abolition of the Racially Based Land Measures Act unconditionally repealed the racially discriminatory land laws, such as the Land Acts and the Group Areas Act. Political reasons contributed to this shift, but there were also underlying economic reasons. The article on agriculture and food security in this edition shows how the failure of the 'racialist' regime of accumulation led to a shift towards export-oriented agriculture from the 1970s. The devaluation of capital required to kick-start a new round of accumulation in the agricultural sector would benefit from the redistribution of at least some land from 'overproductive, massively overindebted farmers to dispossessed blacks' (Bond, 2000a:12).

But other laws passed at the same time sought to limit redistribution to within the framework of the free market. The Upgrading of Land Tenure Rights Act (ULTRA) of 1991 established a framework for the individualisation and privatisation of tenure in the communal areas (South African Institute of Race Relations, 1992:381-386). In 1993 Johan Scheepers, the then deputy minister of land affairs in the National Party government, indicated that new settlement opportunities would be constrained by the rights of existing landowners and that the state's role would be limited to assisting people to become landowners in a free market system (South African Institute of Race Relations, 1994:217).

The collapse of the attempted reforms of the influx control system that followed the abolition of the Group Areas Act in 1986, saw the state respond with an easing of controls over urban settlement. An amendment to the Prevention of Illegal Squatting Act enabled 'transit areas' to be established for temporary informal settlement outside the jurisdiction of local authorities. The less formal Township Establishment Act (also flowing from the 1991 White Paper) allowed provincial administrators and local authorities to establish informal townships without regard for legal procedures (South African Institute of Race Relations, 1992:334-335). In short, the state admitted defeat in the battle against black urbanisation, but was not prepared to ensure adequate facilities for those who arrived in the cities. This, as we shall see, was left to the private sector.

In the meantime the transitional government, still headed by the National Party, was proactive in reorganising land ownership prior to democracy. Land was used as a political bargaining chip with little regard for principle. In the lead-up to the first democratic elections, communal land in a number of areas around the country was transferred directly into the control of the traditional authorities. In 1992, the government gazetted the transfer of 380 000 hectares of land to the Lebowa homeland and 52 000 hectares to the QwaQwa homeland (South African Institute of Race Relations, 1994: 225). In KwaZulu-Natal, the Ingonyama Trust was set up and signed into law less than a month before the first democratic elections in 1994. Ninety-five per cent of the former KwaZulu homeland (1.2 million hectares) was put under control of the King. This is widely viewed as having being a trade-off for the participation of the IFP in the 1994 elections (Wood, 2000:188).

## External influences

South Africa did not embark upon its land reform programme in a vacuum. Different approaches had been adopted internationally under the leadership of the newly formed international developmental institutions from the end of the Second World War. These approaches were in line with the development thinking of the day. In the immediate post-war period until the late 1970s, land reform was situated in a social welfare framework. The global economy was expanding rapidly at this time, and there was almost unanimous agreement that the state had an interventionist role to play in social and economic development. In the newly decolonised countries, land reform was an important component of attempts to rectify the distorted patterns of ownership and access to resources.

The redistributive land reform that resulted prioritised the reduction of poverty and the development of the abilities of beneficiaries (EI-Ghonnemy, 1999:2). In a survey of redistributive land reform programmes around the world, EI-Ghonnemy (1999:8) found that half of these redistributed more than 50 per cent of total agricultural land; in all these cases at least 25 per cent (rising to 90% in China) of agricultural households benefited from the land reform.

However, given the growing global economic crisis, in the form of recession in the advanced capitalist economies and a massive and growing debt burden in the formerly colonised countries, there was a change in the focus from state intervention and aid to the market as the driver of development. Neo-liberal policies began to inform the construction of land reform programmes, and financial and development support from international institutions was contingent on the adoption of policies designed to restructure the global economy in favour of the strongest economic actors. In contrast to the redistributive land reform of the past, the market-led model prioritised economic efficiency in the market-determined allocation of resources in order to realise export-led agricultural growth' (EI-Ghonnemy, 1999:2). This market model, whether beneficiaries were assisted by the state or not, coupled with privatisation of state-owned land has clearly resulted in a concentration of land in the hands of those with financial capability and political influence, and the freezing or slowing down of redistributive land reform (EI-Ghonnemy, 1999:10).

By the time the question of land reform in a post-apartheid South Africa was seriously posed, the market-led approach held sway internationally. In 1992 and 1993 the World Bank made a series of land reform policy interventions, highlighting the contradictions facing a new government in South Africa; these were redistributing land while maintaining agricultural production; providing for the poor while settling people who could farm commercially; setting up a national programme but implementing it through new local structures (Murray and Williams, 1994: 322).

The World Bank's proposals were a mix of approaches driven by both economic and political considerations. From an economic angle, the proposals were based on a belief derived from international experience, that smallholder agriculture was capable of achieving higher productivity and higher labour intensity than large-scale commercial agriculture. The Bank argued that South African commercial agriculture was plagued by inefficiencies caused by apartheid policy distortions. Coupled with the active suppression of black farming, these resulted in the underperformance of the agricultural sector in terms of contribution to national income, exports and employment creation (World Bank 1994). Researchers argued that smallholders are capable of responding to economic opportunities, if restrictions on production are removed (Binswanger and Deininger 1993:1464). In this light, the Bank suggested that 30 per cent of agricultural land be redistributed to black ownership in the first 5 years of democracy (World Bank 1993). The need for political stability also motivated the call for rapid and meaningful redistribution of land (Binswanger and Deininger, 1993:1466).

The World Bank insisted that the market should be at the centre of redistribution efforts, but recognised its limitations and therefore recommended a 'market-assisted' approach, where the poorest were offered a subsidy to help them participate in the market for land. Such a redistribution programme would operate parallel to a judicial process of returning land to those who had lost it as a result of racial discrimination in the past (World Bank 1993; Binswanger and Deininger, 1993).

## Debates about land reform

The World Bank interventions sparked a debate in South Africa about the extent and nature of the demand for land. The main line of division hinged on the perceived future for the South African economy. One group, driven by the corporate-sponsored Urban

Foundation (UF) adopted the approach that urban growth was a prerequisite for economic growth (South African Institute of Race Relations, 1992: 332). Systematic development planning in a framework of economic efficiency underpinned the policy implications of this approach – that is, planning for development would be driven by the requirements of urban economic growth. Whether such growth resulted in an equitable distribution of opportunities and resources was not at issue. Indeed, in this model equitable distribution of resources is a secondary consideration to the economically efficient distribution of resources. The commodification of the built environment and facilitation of short-term speculative capital flows inherent in this model shaped the recommendations for urbanisation from the UF. These included site-and-service housing schemes led by developers (Bond, 2000b:136), which simultaneously created an arena for capital accumulation and limited the quality of the service by delaying any upgrading that might be contemplated into the future. The World Bank also played a significant role in lending weight to these arguments, primarily through two policy papers aimed at a global audience on urban development and housing<sup>2</sup> which were underpinned by neo-liberal forms of technical rationality and financial logic (Durand-Lasserve and Royston, 2002:12-13).

On the other hand there were those who considered the development of the rural areas to be the central requirement in protecting the long-term future of the South African economy. From this perspective, deep and widespread poverty on the peripheries posed a serious long-term threat to the economic centres. It would be unlikely that the structural problems of unemployment and poverty would be resolved simply through economic growth in the formal urban economy (Lipton, Ellis and Lipton, 1996: xvi). Part of the solution therefore lay in regenerating rural livelihoods based on labour-intensive and part-time farming. The Southern Africa office of the World Bank adopted this approach, as did rural communities participating in the Community Land Conference in 1994<sup>3</sup> that was organised by the National Land Committee (NLC).

Proponents of this strategy argued that international evidence indicated that agriculture had a positive relationship to the generation of rural income, and that in South Africa the historical bias against small-scale farming could finally be ended and reversed. However, to be successful, such a strategy would require access to water and land, research and infrastructure (Lipton, Ellis and Lipton 1996: xvii). While the World Bank and civil society groups had similar goals in this case,

the way to reach them differed substantially. For example, while the World Bank insisted on a market-based approach based on a willing buyer engaging in a purely market transaction with a willing seller, civil society saw the state intervening proactively to identify and purchase land for redistribution.

There were others who also saw rural revitalisation as essential for the long-term future of the South African economy, but who were more sceptical about the possibilities of resurrecting a black commercial farming class, whether small-scale or not. This group argued that the strategy with the greatest likelihood of improving the livelihoods of the rural population would concentrate on consolidating the rights of a core workforce on the commercial farms (including schemes that allowed workers to buy in to the farm enterprise), and redistributed 'infrastructureal capital' – piped water, houses, schools – for the rest of the rural population (De Klerk, 1996:xx). From this perspective, the majority of the dispossessed rural population was not interested in agriculture, except as a last resort when there was no other way to earn a living.

Apart from the NGO-engineered Community Land Conference, this debate generally took place in academic and policy circles, with limited input from the rural and urban landless. In the article on agriculture and food security in this edition of *Development Update*, some possible reasons are offered as to why the landless were unable fully to articulate their demands for land in the transition. This failure was partly caused by the bias towards the urban areas in the Congress movement, the political disorganisation of the movement's mass base in the late 1980s and early 1990s through systematic violence by the state and its surrogates, the character of social control in rural areas, and difficulties of rural organising.

## The ANC's position after 1994

In preparing for governance, the ANC adopted elements of the contesting approaches in its policy position. However, underlying the policy details were two key strategies that have characterised the ANC's approach to development and growth since the early 1990s. These have become more clearly defined, particularly since the start of Thabo Mbeki's term as President. The first strategy in the ANC's developmental approach was a 'state-assisted market' model of development and redistribution, with the market serving as the primary mechanism for the allocation of goods and services. Placing the market at the centre in this manner ensures economic continuity and a limited disruption of the inherited economy while efforts are made to redistribute

opportunities and resources. Nevertheless, in this model the state does intervene in two crucial ways. First, it plays a welfare role on the margins of the economy to facilitate entry into markets for those without their own resources, primarily through a system of grants and subsidies. Second, the power and resources of the state are used to create economic opportunities for black advancement.

Related to this second form of state intervention is the second of the ANC's strategies for transformation – black economic empowerment. This initially took a welfareist form and was broad-based, but increasingly came to be interpreted as the formation of a black middle class and economic elite, with the side-effect of a widening gap between rich and poor. As shown below, these aspects also became clear in land reform policies.

These strategies for economic growth and transformation were not fixed in the early 1990s, when the country was in political and social flux. The ANC needed a plausible land reform policy and the World Bank's 'Options' provided one (Murray and Williams, 1994:322). These were translated into the Reconstruction and Development Programme (RDP). The RDP policy principles located land reform at the centre of rural development, and called for the transfer of 30 per cent of agricultural land over five years, with a focus on women's access to land (African National Congress, 1994:22). However, the market would mediate the transfer of land, and compensation would be paid in the event of expropriation (as stipulated by the South African Constitution) (1994:20-21). It was suggested that services and infrastructure be provided for both land reform and rural development as a whole (*ibid* 1994:21 and 84).

But with the ready-made policy came the ready-made contradictions, between land reform as a welfare measure and the use of land reform to sponsor a black commercial farming class; between the need for significant redistribution of land and the need to maintain commercial agricultural production; and between growth strategies based on rural development and those based on urban development.

The way the programme was carried out was determined by the ongoing struggle for hegemony between different social forces. In the context of a demobilising mass base and rising neo-liberalism in the ruling class, the progressive elements of the RDP were not adopted as government policy, or were contradicted in later policy statements (Bond, 2000b:89). The results, as shown below, were that the land

reform programme was given a limited budget, targets for redistribution were dropped, land redistribution was subordinated to maintaining continuity in commercial production, and efficiency considerations prevailed over equity and justice considerations in carrying out reforms.

The 1997 White Paper on Land Policy merely consolidated the existing approaches to land reform. It identified the challenge as 'finding] a way of redistributing land to the needy, and at the same time maintaining public confidence in the land market.' (Department of Land Affairs (DLA), 1997:17). The government would provide a small subsidy to assist beneficiaries in the purchase of land through the market. At the same time, the government would serve as a facilitator only, not as a driver of the programme.

## Results of land reform to date

From the outset, the land reform programme was not given a high priority in government. The budgetary allocation to the DLA has remained constant at just one-third of a per cent of the total national budget, and is set to continue at this level in the medium term (Department of Finance, 2002:136). In its recommendations on land reform, the World Bank had estimated that the public costs of settling 600 000 smallholdings on 30 per cent of the land would require expenditure of R3.5 billion a year for five years. Whether this was realistic or not, the annual amount was more than the R2.5 billion the government allocated for the entire RDP for 1994-95 (Murray and Williams, 1994:321-22). Of the budget allocated to the DLA, the combined percentage allocated for the actual payment of grants under the land reform and restitution programmes hovered at around half, but was more often below, 50 per cent of the total DLA budget (see Table 1).

From 2003/2004, grants paid out through the restitution programme are set to rise rapidly in line with the Presidential directive to resolve all restitution claims by 2005 (see below). While this is occurring, the redistribution programme will take a back seat, with the portion of the budget set aside for redistribution grants falling well below 20 per cent of the total DLA budget. In this context, it is not surprising that the land reform programme has fallen far short of the goals set out in the RDP. By the end of 1999, all three sub-programmes combined had transferred less than 2 per cent of total agricultural land in South Africa.

TABLE 1: RESTITUTION AND LAND REFORM GRANTS, 1998-2006

BUDGET YEAR	RESTITUTION GRANTS		LAND REFORM GRANTS	
	VALUE (R'000)	PERCENTAGE OF DLA BUDGET	VALUE (R'000)	PERCENTAGE OF DLA BUDGET
1998-99	12 088	1.7	358 274	49.6
1999-00	122 196	17.8	173 008	25.3
2000-01	205 590	26.7	156 623	20.3
2001-02	186 528	19.2	332 431	34.2
2002-03	296 603	27.1	280 543	25.7
2003-04*	701 826	42.8	270 882	16.5
2004-05*	775 236	43.4	308 028	17.2
2005-06*	894 030	45.2	343 773	17.4

Source: Derived from Dept of Finance, 2002 & 2003

\*medium term estimate

## Land redistribution

The redistribution sub-programme started off extremely slowly, initially based on land reform pilots using RDP 'Presidential Lead Project' funds supplementing a small number of projects set up in terms of the 1993 Provision of Certain Land for Settlement Act. The pilots aimed to test methods of land redistribution for later scaling up to national level, and included projects for individual households as well as group projects. The basis of funding was the provision of a grant to households that met a number of criteria, with a focus on previously disadvantaged households earning less than R1 500 a month.

Many of the projects were collective because the low grants prevented individual households from acquiring land on their own. The policy framework also tended to favour collective ownership, but, given the constrained resources allocated to the programme, this more often became the collectivisation of poverty than the collectivisation of wealth. The Communal Property Associations Act of 1996 created a legal framework for communal ownership of land. In their article in this edition of *Development Update*, Tessa Cousins and Donna Hornby highlight some lessons from the implementation of CPAs over the past years. Amongst many other salient points, they argue that while there have been mistakes and weaknesses in the communal approach to land ownership, it is necessary to strengthen rather than abandon these

approaches. In the light of limited budgets and the policy of trying to reach as wide a base as possible with small grants (rather than a small base with large grants), the programme was welfarist in character. It was not therefore designed to contribute meaningfully to the transformation of the rural and agrarian economy, but aimed to alleviate poverty at the margins.

Even on its own terms, the programme cannot be characterised as anything other than a failure. Just 1 per cent of total farmland was actually transferred through the sub-programme by 2000 (DLA, 2000). A very limited monitoring and evaluation system makes it difficult to measure the extent to which even those beneficiaries gained from the programme. A DLA (1999) quality of life report indicated that the apartheid pattern of dumping people in rural areas with no means of earning livelihoods was being replicated in many land redistribution projects. Not only were beneficiaries not trained or supported in carrying on economic activities once they were settled, but basic services like water, sanitation, health care, electricity and educational facilities were not provided (Hammond and Avenstein, 1999). So, although the programme targeted poorer households – with 75 per cent of beneficiaries falling below the poverty line in one survey of projects (Deininger and May, 2000:11) – the results have not necessarily been positive.

The communal settlement of large numbers of households in one project often undermined gender equity, regardless of how this was written into policy. 'Prevailing community dynamics and values can and will reshape social equity policy goals', and women were inhibited in the face of local resistance by traditional authorities and other males (Meer, 1999:82).

Production levels in land reform projects were very low, with less than 10 per cent using the land for agriculture, and many not using the land at all. Yet fully 80 per cent of beneficiaries said they had participated with the expectation that they would be able to plant crops and generate an income. Poorer women beneficiaries in particular found themselves using their time to collect natural resources for survival rather than organising systematic production on the land (Cross and Hornby, 2002:33-34).

If the property clause in the Constitution had been contentious, the 'willing buyer-willing seller' approach to land redistribution was equally so. First, locating the market at the centre of redistribution efforts implied that Western property relations

were to form the basis of the economy, as well as of social relations between people. Government subsidies and other support were contingent on Western forms of legal ownership, both in land and housing stock. Second, while the state might play a role in assisting those without sufficient resources of their own to participate in the land market, what mechanisms were in place to keep beneficiaries on the land given that they would mainly be occupying smallholdings on relatively marginal land? (Marcus, *et al* 1996:194).

As the ANC consolidated its developmental approach (the state-assisted market and black economic empowerment) and its core constituency (the black middle and upper classes), the focus of the land reform programme shifted. The driving force behind the shift was the broader macro-economic and political strategies, with land reform pulled in its wake. The programme remained an insignificant component of the ANC's broader strategy. In the first five years the market approach to land reform had proven effective in limiting the transfer of land to the margins of the economy, in retaining the integrity of the land market and in ensuring the continuation of agricultural production within a restructured economy geared towards export-led growth and the consolidation of large-scale production.

After the second national elections in 1999, the welfarist approach to land reform was dumped and replaced by a classic 'modernisation' strategy in the form of the Ministry of Agriculture and Land Affairs' Land Reform and Agricultural Development (LRAD) programme. The programme extended the timeframe for the redistribution of 30 per cent of commercial agricultural land to a period of 15 years. This transfer would now be inclusive of land transferred to black ownership through ordinary market transactions (not only through the government's programme), and also linked land redistribution to the privatisation of state and parastatal land (DLA, 2002a). It explicitly redirected the land reform programme to the task of building a black commercial farming class. This was most evident in the switch from an income ceiling to qualify for a grant (meaning those earning above a certain amount a month did not qualify for the old grant) to an income floor (meaning those unable to contribute a minimum amount – set at R5 000 – would be unable to qualify for the new grant). This represented the convergence of two powerful agendas – African nationalism and neo-liberal capitalism. It signified the consolidation of a black economic empowerment agenda that recently has been translated into the construction of a black economic elite. This is coupled with a growth strategy that aims to strengthen the ability of locally-based capital to compete in global markets.



The marriage between African nationalism and neo-liberal capitalism is most apparent in the formulation of the Strategic Plan for South African Agriculture in 2001. In her foreword to this Plan, the Minister of Land and Agriculture, Thoko Didiya, states that 'government and industry now share a common perspective on the sector's strategic issues.' These issues are 'black economic empowerment and enhancing the profitability of agricultural industries at the same time' (National Department of Agriculture, 2001:3). One of the core strategies is to 'deracialise land and enterprise ownership; and to unlock the full entrepreneurial potential in the sector' (*ibid* 2001: 15-16). This indicates the desire to absorb black entrants into the agricultural sector, explicitly on the basis of their ability to compete in the market.

The Plan was drawn up by organised commercial agriculture and represents only the interests of commercial farmers. It indicates the extent to which commercial agriculture has managed to reclaim policy-making influence in post-apartheid South Africa. Organised agriculture seeks a land reform programme that can be carried out in such a way that export-oriented agriculture is not negatively affected by it, while it simultaneously serves the purpose of political stability by transferring enough land into the hands of a black elite. The apartheid regime attempted to create an elite of this sort but was unable to accept the necessary political democratisation needed for it to be legitimate in the eyes of the majority of the population. The post-apartheid order has made it possible.

Nevertheless, neo-liberal contradictions have stood in the way of a comprehensive programme of land transfer even to a black elite. The limited attractiveness of commercial agriculture as a profit-making enterprise (especially for new entrants, and in light of the myriad opportunities in other sectors), coupled with a small budgetary allocation to land reform have resulted in a purely rhetorical commitment to land redistribution by government.

## Restitution

The restitution component of the land reform programme was the one most directed at addressing historical injustices. Parliament passed the Restitution of Land Rights Act in 1994 that created the Commission on Restitution of Land Rights and the Land Claims Court. Any person who was unfairly dispossessed of land through racially discriminatory laws after 1913 is entitled to restitution of those rights or equivalent

compensation. This was contingent on a claim having been lodged with the Commission before 31 December 1998, and validation of the authenticity of the claim by the Commission. A total of 68 878 claims were lodged, with approximately 72 per cent coming from urban areas and derived from forced removals under the Group Areas Act. Despite representing just 28 per cent of the total number of claims, rural claims captured up to 90 per cent of the people making claims for restitution of land, since most rural claims were group claims (Lahiff, 2001:3).

The pace of restitution was extremely slow in the first four to five years, due to detailed and complex verification processes and legal procedures. By June 1998, only nine claims had been processed. A Ministerial review of the process and an amendment to the Act, giving the Minister authority to approve settlements, shifted the implementation of the sub-programme away from the courts and increased the number and speed of claims settled (Department of Finance, 2002:681).

The restitution process was expected to be a time-bound process, and the government has become increasingly anxious to finish it. As the programme progressed, it was converted from an attempt to redistribute land to a symbolic gesture to those who had lost land as a result of apartheid laws. Thus former chief land claims commissioner, Wallace Mgoqi, insisted that restitution was more 'a gesture to try to heal the wounds of the past' than a genuine programme of development (Cook, 2000). Mgoqi explained that the ANC government was not responsible for land dispossession in South Africa, and that other government programmes were of greater priority than restitution. More recently, Thabo Mbeki has issued a directive that all restitution claims be settled by 2005 (Department of Finance, 2003:703). The result is a focus on resolving claims through cash payments rather than the transfer of land. The rapid increase in the budget for restitution grants (Table 1 refers) will mainly be spent on cash payouts, with the Department only setting a target of transferring 400 000 hectares through the programme by 2004 (Department of Finance, 2003:711). This translates into just one-third of a per cent of total land in South Africa, and less than 0.4 per cent of commercial agricultural land.

In their article in this edition of *Development Update*, Samantha Hargreaves and Ann Eveleth provide details of the claims settled to date. They suggest that the programme has done more harm than good, not only because it has failed to deliver land (because it is increasingly held hostage to a neo-liberal macro-economic strategy, but also because it has set up a hierarchy of land rights, placing restitution claimants

ahead of other people who may be in more immediate need of land but who do not have any legal claim to a specific piece of land.

## Tenure reform

In the former whites-only commercial farming areas, two key pieces of legislation were passed with the aim of securing tenure for the black majority. These were the Land Reform (Labour Tenants) Act of 1996, and the Extension of Security of Tenure Act of 1997 (ESTA). The former aimed to provide a legal definition of a labour tenant, and to convert existing or historical use rights into land ownership for legitimate labour tenants. The latter Act aimed to protect the tenure rights of farm workers and farm dwellers living on commercial farms by establishing a legal framework for evictions. In reality, the Acts are less about securing tenure for farm dwellers and more about establishing a legal framework for evictions. At the start of 2003, 34 per cent of labour tenant claims had been settled, involving the transfer of a mere 7 845 hectares of land (Department of Finance, 2003:713) – 0.007 per cent of commercial agricultural land! The passing of the laws also saw a wave of pre-emptive evictions on commercial farms, as shown by Abdoesalaam Isaacs in his article on trapped labour. In her article on women and land reform, Michelle Festus reveals that tenure security laws have held little benefit for women living on farms.

In the communal areas, tenure reform has proceeded at an even slower pace. The Upgrading of Land Tenure Rights Act of 1991 was amended after 1994 to bring it in line with post-apartheid tenure policy. The amendments allowed the Act to be used to change tenure from communal to individual ownership in certain circumstances, but also to ensure that this would not result in the destruction of communal landholding systems where this is not desirable (DLA, 1997:62). The Act was used as the basis of a number of pilot projects to transfer ownership of communal land from the state to a defined community.

The Interim Protection of Informal Land Rights Act of 1996 was passed as a stopgap to protect people with insecure tenure from losing their existing rights, pending long-term tenure reform measures. It has been extended annually while these measures are put in place. Various attempts have been made by government to pass overarching legislation governing tenure in communal areas. However these have been blocked, particularly by traditional authorities, who view any attempt to bring a uniform

and transparent system of tenure to the communal areas as a threat to their continued control over the land. Their task has been made easier by the government's desire to convert ownership to individual title, since this threatens access to land for the poorest residents of the communal areas and creates opposition to the Bill. In an article in *Development Update* on the latest draft of the Communal Land Rights Bill, Ben Cousins reveals some of the tensions and complexities of securing tenure in the communal areas.

## Land and development in the urban context

Urban land development has followed the late apartheid lead: on the one hand, private sector provision of formal housing (with limited state assistance for some) that relied on banks to extend credit; on the other hand, the 'benign neglect' of citizens living in informal settlements, and self-provisioning policies for those surplus to the needs of the formal economy. Both of these approaches were situated in a market-based development context where the role of the state was defined as creating the framework for private wealth creation. Planning on land use was driven from the top, with little input from local communities, despite policy frameworks that continuously trumpet the need for participatory planning.

Delivery of formal housing was channelled through the private sector, so that the state subsidies found their way to large-scale developers who built houses on behalf of beneficiaries. The provision of loans to cover the bond on the houses was based on ordinary market rates and applications for credit. Nevertheless, banks have been reluctant to invest in the low-income market (Khanya College, 2001:53–55).

At the beginning of the 1990s, it appeared that housing finance in the townships would be a new area for investment. But the financial explosion evaporated nearly overnight under the weight of neo-liberal development contradictions (Bond, 2000a:185). While housing has effectively been privatised, following the model established by the UF in the late 1980s and early 1990s, it is apparent that the private sector is unwilling to provide housing, unless returns can match those from other investments. While the government claimed 600 000 houses had been built by 1999, fewer than 100 000 subsidy recipients were lent sufficient additional bank credit to construct houses with more than one room, and another 300 000 rooms constructed with the subsidies were defectively built (Bond, 2000b:148).

To date, the post-apartheid state has been unable to resolve this growth in informal settlements through an expansive programme of formal housing delivery. Despite the construction of more than a million houses since 1994, delivery has not kept up with demand nor has it wiped out the backlog of an estimated three million housing units inherited from apartheid planning. Between 1994 and 1999, formal housing stock grew by only 12 per cent, compared to the 97 per cent increase in informal dwellings (rising to 142% in urban areas) (Radebe, 2001). There was an increase from 667 000 to 1,3 million informal dwellings in this period.

The development of urban land in the neo-liberal order fails to recognise the demand for land for the poor unless this can either generate income for local government or for private housing developers, or if it fits neatly into a plan where efficiency and macro-economic market-led growth are priorities. The unique circumstances of specific communities, their historical battles to remain on the land, to build social and economic networks that allowed for daily survival, are dismissed as anachronisms fit only for the period of inefficient and growth-distorting apartheid.

The new technocratic model seeks to rationalise the space that was 'made irrational' by apartheid planning. Given the primacy of the market economy in the development framework, the result is a similar disdain for the realities faced by the marginalised. Apartheid displaced communities and provided transport and other subsidies merely to keep these communities away from economic centres. Post-apartheid technocracy demolishes 'economically inefficient' state supports. Apartheid divided the oppressed population into 'insiders' and 'outsiders', with the former offered a small stake in the system and the latter excluded. Post-apartheid development reproduces these divisions by ignoring or displacing those who do not fit into a development model premised on capital-intensive, profit-driven economic activity.

The Integrated Development Plans (IDPs) presented the possibility of a democratic and accountable planning framework. But in practice, urban planning is an increasingly remote and elite-driven process. Nowhere is this more evident than in the rising number of forced removals in urban areas across South Africa. A proactive programme of forced removals by local and provincial governments is under way. This programme has two main components – the 'rightsizing' of individuals who are unable to pay their bonds into inferior accommodation, and the systematic destruction of informal settlements around the urban centres.

'Rightsizing' is government policy. It involves the removal of people living in houses they cannot afford, into smaller, cheaper houses. Servcon, a joint-venture agency between government and commercial banks was established in 1994 to 'rehabilitate' non-paying bonds and carry out rightsizing (Bond, 2000b:146). Wozani Security Services – the notorious quasi-military 'Red Ants', so named for the red overalls and the way they swarm over structures, demolishing everything in sight – have been subcontracted to forcibly evict homeowners who have defaulted on their bonds. In the Cape Unity, the council followed up by placing other families in the houses thus vacated, compounding the injustice. The Western Cape Anti-Evictions Campaign (AEC) emerged from spontaneous grassroots opposition to this practice. Dissatisfaction stems from a number of sources, including poor construction of homes built in the township housing boom of the 1980s, unaffordable payments, and land speculation and hoarding by financial institutions (Western Cape Anti-Evictions Campaign, 2003). Communities aligned to the AEC mobilised to defend homeowners, even going as far as evicting new tenants, who were placed by the council in vacated houses, so that the original owners were able to return. This activism has been met with high levels of state repression, with the provincial MEC of police, Leonard Ramatlakane, specifically targeting the campaign for eradication.

In Gauteng, the Greater Johannesburg Metropolitan Council's urban renewal strategy includes a commitment to 'be rid of informal settlements, and intends for land invasions to have ceased' (quoted in Thale, 2002). This will include relocating people who have moved onto undesignated land. According to Sizakele Nkosi, responsible for housing in the Johannesburg metro, 'we have established a rapid response unit led by the Johannesburg Metropolitan Police Department (JMPPD). This unit will crack down on land invaders without any hesitation' (Thale, 2002). The council plans to remove 36 000 households from 26 settlements by 2004, yet only plans to eradicate the housing backlog by 2007. The RDP housing programme is being wound down, and will be replaced by a R20 000 once-off grant to households earning less than R1 500 a month. This grant must be used to develop a site, provide essential services, and build a house (Thale, 2002). Thereafter, beneficiaries will not be able to make any further claims for housing against the state. This model is not very distant from the late apartheid 'site-and-service' model, also disparagingly referred to as 'toilets-in-the-veld' by no other than the former Housing Minister, Sankie Mthembu-Mahanyele (Bond, 2000b:144). However, it is certainly not what was envisaged either by the

RDP or in the affordable housing principles put forward by sections of the liberation movement, including Cosatu and Sanco, in the early 1990s (see Bond, 2000b).

So far, the urban renewal strategy has translated into the disruption of fragile livelihood strategies and further marginalised residents of informal settlements. In Eikenhof, south of Johannesburg, police and the Red Arts attacked residents without warning in January 2003. The majority of residents in the area were not even informed of the council's intentions to remove them before the show of force. Similar events have occurred in Protea South, Alexandra, Thembelile and in Mandelaville in Diepkloof in the past two years. While the council claims to engage in consultative processes for 'voluntary relocation', the very existence of mass resistance to the planned removals indicates that residents do not agree. Although local government agents carry out the removals, the process is supported at national level. In one of her final statements before leaving the ministry, former Housing Minister Mthembi Mahanyele defended what she preferred to call 'relocations' as part of government's renewal strategy (*Business Day*, 21 February 2003).

## Conclusion

The liberation struggle was driven by opposition to policies and processes that limited opportunities and resources for the majority African population, as well as opposition to a political and economic system that favoured large-scale capital accumulation over the needs and desires of the mass of the population. This was particularly acute where it concerned access to land for residential and productive use. However, on coming to power, African nationalism hitched its star to the fortunes of corporate capital. In restructuring the economy to meet the needs of the latter, the developmental agenda has been subordinated to a neo-liberal agenda. In the process, policy continuities from late apartheid, through the transition in the early 1990s and into the post-apartheid era are apparent, nowhere more so than in the areas of housing and land reform. The basis of these continuities is a reliance on the market as the central mechanism for the allocation of resources, including redistribution, and a related emphasis on Western individualised forms of property ownership. The result has been a poor delivery record, both of secure access to land and to decent affordable housing. It seems inevitable that if the transition is limited to political democratisation, without substantial parallel redistributive economic reforms, further conflict around access to, and ownership of resources will continue to resurface, in both rural and urban areas.

## Endnotes

- <sup>1</sup> World Bank, 1991. *Urban policy and economic development: An agenda for the 1990s*. World Bank, Washington DC; World Bank 1993. *Housing: Enabling markets to work with technical supplements*. World Bank: Washington, DC
- <sup>2</sup> The Community Land Conference was held in Bloemfontein in February 1994. It was organised by the NLC, an NGO, with conference participants coming from 357 rural and landless communities around South Africa

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