

Press Release

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IRR launches '*Ipulazi*' and '*Indlu*' policy proposals for real progress in land reform

Dr Anthea Jeffery, Head of Policy Research at the Institute of Race Relations (IRR), today released a detailed analysis of land reform, why it has gone wrong, and how the country can move forward from failure to success.

Central to this [analysis](#) – *Reaching the Promised Land: An alternative to the report of the Presidential Advisory Panel on Land Reform and Agriculture* – are two policy proposals aimed at achieving real progress in land reform, both in rural and in urban areas.

The IRR's proposal for rural areas is the '*Ipulazi*' policy (from 'farm' in Isizulu), the key tenets of which are:

- I** - increasing the number of successful commercial farmers;
- P** - providing innovative funding options;
- U** - upskilling new farmers;
- L** - land acquisition;
- A** - augmenting rural infrastructure and essential services;
- Z** - zero-tolerance for land grabs, farm invasions and threats to property rights; and

I - individual title (secure and registered) for all commercial farmers.

The IRR's proposal for urban areas is the '*Indlu*' policy (from 'house' in isiZulu), the key tenets of which are:

I - individual tenure, registered and enforceable

N - national housing voucher programme for disadvantaged households

D - diminished dependence on the state to step up its own slow pace of provision

L - land acquisition and servicing; and

U - upgrading of informal settlements

Jeffery notes that while the land reform debate, a defining political issue for South Africa over the past two years, speaks to real historical grievances, it has nevertheless been recklessly mishandled. The drive to amend the Constitution and institute a policy of expropriation without compensation (EWC) has already inflicted major damage on the country's economy – and will inevitably inflict far more in the future.

'Some South Africans seem to believe that amending the property clause will make little difference to blacks because whites alone own assets,' says Jeffery. 'In fact, however, some 8.5m black, coloured, and Indian South Africans own formal houses (though many lack title deeds). Since 1991, thousands of black people have spent billions on buying some 4.4m hectares of farmland. In addition, some 17m have long-standing land-use rights to customary plots. All these individuals need Section 25 protection just as much as the 1m whites who own homes or the country's roughly 32 500 commercial farmers.'

Also relevant to all South Africans 'is the economic damage sure to result from EWC. Any constitutional amendment of this kind will further reduce business confidence (already at a 20-year low), deter vital foreign direct investment, and give local business yet more reason to avoid new ventures. This will hurt the entire population. It will hit the poor the hardest.'

Equally relevant is the 'fraud at the heart of the EWC idea'.

'EWC offers no redress for past racial discrimination. It will empower the government – by giving it ownership or custodianship of ever more land – but not ordinary black people, who will be barred from owning land in keeping with existing policy. Increasing state control over land will be used as a patronage tool and to deepen dependency on the ANC.'

Expropriation is also 'unnecessary', as the cost of buying land 'has never been a key factor in land reform failures'. As the government's own research has found, the most important 'constraints' include a lack of title and support for beneficiaries, miniscule budgets, gross inefficiency, rising corruption, and elite 'capture'.

‘These factors explain why land reform has proceeded so slowly,’ says Jeffery. ‘They also show why more than 70% of land reform projects have failed, with formerly thriving farms now laying fallow or used only for subsistence production.’

Moreover, Jeffery notes, ‘in a society already two-thirds urbanised, the key demand is not for farming land but rather for jobs and houses in towns and cities. EWC will not resolve these challenges. Instead, it will make them far harder to overcome.’

Hence, the need for a new approach.

‘The IRR’s *Ipulazi* policy captures the essential requirements for rural reform. Policy must shift from the transfer of land – often soon rendered unproductive – to increasing the number of successful commercial farmers. Those who want to farm must be helped to do so via adequate finance. This should be made available through “farming empowerment bonds” and by cutting some of the fat out of current state spending. However, funding alone will not be enough. Other vital needs – including skills, mentorship, infrastructure, security, and registered individual ownership – must also be met.’

In urban areas, ‘where housing demand is increasingly acute, policy must shift from inefficient state provision to the direct empowerment of disadvantaged households, as outlined in the IRR’s *Indlu* proposal’.

‘After 25 years of slow and often defective delivery, South Africa can no longer rely on the state to provide “free” houses for the few, or act fast enough in releasing serviced land. Public/private partnerships should instead be used to speed up land provision. Much of the badly spent housing budget should also be redirected into housing vouchers for the poor.

‘This would break the delivery logjam. It would also accord with what ordinary people have long been saying – that the state should transfer the current housing subsidy directly to them, as they could use it more efficiently and make every rand stretch much further,’ Jeffery says.

Ends