

EVENT PRESS RELEASE

Conference puts international development investment under the spotlight

Yesterday Urban LandMark, a policy think tank, began a conference tackling the thorny issue of what impact international development organisations are having in Africa. Foreign investors, such as China, also came under the spotlight. China is one of the largest foreign investors in the region. A panel of experts debated whether China was having a positive or negative impact on urban development in places like Angola.

China has dramatically increased its presence in Southern Africa in the past decade and has become one of the largest foreign investors in the region. Its growing impact on trade, aid and investment has attracted increasing academic, media and government attention. The conference included an exciting panel discussion on this issue with a line-up of speakers from China, Angola, South Africa and Canada. Allan Cain from Development Workshop, Angola, noted that China's investment in Angola is probably the major investment in Africa over the last seven years and this is likely to continue over the next 10 years. During the panel presentations it became evident that this considerable investment has had limited impact because of the poor location of large housing developments which were planned with little consideration of the levels of affordability in large cities such as Luanda. The panel outlined a range of projects and programmes that are now being initiated to improve the basis on which China operates in the region. Liu Haifang from the Centre for African Studies at Peking University in China said: *"We have come to a vision of how to influence the investment by China to make it more pro-poor. There have been some early positive results. Out of these ideas we are building a partnership between Chinese and African academic institutions – together we are developing a set of projects that will promote pro-poor development, not just for Angola but for all African countries – looking at challenges of how the investment can be more effectively targeted"*.

The role of donors and investors in this country also received attention. South Africa has been the recipient of extensive donor funding and support from the development community since 1994. Now this funding is shifting more towards other countries in Sub-Saharan Africa. Because it is no longer a low-income country, South Africa's role is

expected to shift towards being a development partner with other countries in the region.

The conference which focused on access to urban land and property rights, brought together leaders in the field both internationally and nationally. Participants asked the question whether the considerable amounts invested in improving urban governance and market systems had significantly changed people's access to better urban land and housing.

Carlos Morales-Schechinger from the Institute for Housing and Urban Development Studies at Erasmus University, Rotterdam, compared his experiences in Latin America to the work undertaken in South Africa. He felt that while South Africa has come a long way in understanding its property markets and how they operate, it has not come far enough. He argued that the current approach to informal settlement upgrading is insufficient because it focuses on securing land for the poor that is in "*bad locations, is unsafe and unserviced*". This simply protects landowners who are allowed to hold back well-located land from the market to maximise their profits. He commented that while driving in Johannesburg, he saw vast amounts of empty land and could not understand why it was not being used for housing. He expressed a hope that this was not just a case of land speculation. He outlined a range of mechanisms that could be used to encourage landowners to make land available for lower income development, including inclusionary zoning, compulsory development, taxation and expropriation.

Geoffrey Payne from Geoffrey Payne & Associates, London, who has worked with donor agencies around the world, noted that we are living in a time of major inequality where "*the richest 1% of the world's population control 46% of the world's assets, while the poorest 40% have to make do with 1%*". In addition the differences are getting worse rather than better. He said that land and property are concrete expressions of this inequality and it is very hard to change existing patterns.

Payne noted that inequality in land ownership patterns has continued and probably widened in many countries and that political and administrative systems established under colonialism remain stubbornly in place in countries as diverse as India and the Solomon Islands. Payne said that methods on how to reform property markets are well known. However, progress in the most rapidly urbanising countries such as those in Southern Africa, remains well below the speed and scale necessary to meet increasing needs.

He said, "it is not ignorance that is constraining progress, nor the nature of political systems. It is difficult to avoid the conclusion that if the political, administrative and commercial elite benefit sufficiently from the status quo, they will not see it in their interests to change". Payne argued therefore that if change was to occur, "those in positions of privilege and power should pay more attention to the voices from lower down the social and economic ladder and make greater efforts to meet popular demands for better access to land, housing and services". As Geoffrey Payne said, *"given that land and housing issues are ultimately politically influenced, we need to be politically astute and more skilful at developing persuasive arguments"*.

Mark Napier, the Programme Director of Urban LandMark, said that *"the conference showed the vast amount of knowledge, experience and understanding that has been gained in how to increase access to land and property markets by the poor, but that extensive work is still required to translate this into real gains on the ground. More knowledge sharing between organisations is needed so that the huge investment coming into Africa is better spent and benefits more than just the elites"*.

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