

from the CEO

# Certainty (and uncertainty) in the Land Reform and Redistribution Debate

During President Cyril Ramaphosa address to the nation at end July, he announced the ruling party’s decision to propose an amendment to the Constitution to expropriate land without compensation and that it will have a positive effect and meaningful contribution to economic growth. This despite people saying otherwise. Ramaphosa said: “The ANC will, through the parliamentary process, finalise a proposed amendment to the Constitution that outlines more clearly the conditions under which expropriation without compensation can effected.”

Whilst the historical background of land ownership needs to be addressed with urgency, it is critically important that South Africa navigates through the sensitivities with a greater vision being to ensure that the imbalance is dealt with and that economic stability and food security continues to be reinforced.

Section 25 created the necessary compromise and balance between the protection of our economy based on private property and free market enterprise and the need to dramatically transform the economy following decades of oppressive laws and policies.

But there was no requirement that the State must follow a policy of a willing buyer / willing seller. Rather, Section 25 mandates the State to expropriate land to achieve its land reform objectives.

Unfortunately, the State’s track record over the last 20 years, in giving effect to restitution and redistribution, has been poor.

It adopted a willing buyer/willing seller policy when there was no need to do so. It has not used its expropriation powers to redistribute land.

The most important constraints to effective land reform have been corruption, the diversion of the land reform budget, lack of political will and the lack of training and capacity. These are the areas that require immediate focus, anything less will dent investor confidence.

In our engagements with Government, particularly with Deputy Minister Cronin, we believe that the ANC has

committed to defend property rights and is clearly concerned about the impact that talk of expropriation without compensation is having on the economy and investor sentiment.

We need to also be mindful of the fact that whilst the EFF believes that nationalizing all land is the correct mechanism to address land reform, the ANC does not.

Whilst we call for the protection of productive agricultural land, we are in favour of land owned by parastatals in cities to be a priority. So too do we call for abandoned buildings in city centres to be expropriated.

Mayor Mashaba’s recent focus on Johannesburg’s inner city requires support.

Plots of land owned by state-owned enterprises in the main cities are excellent opportunities to bring people closer to working opportunities and also solve some of the housing backlogs.

Expropriation is a mechanism for breaking a deadlock, whether you compensate is a different matter. The possible expropriation of 2 farms in

Limpopo form the basis of testing the Constitution on the matter of expropriation, where the courts will ultimately decide on the matter.

Finally, talk of amending the Constitution or introducing new legislation is what it is, talk.

Any amendment to the Constitution will face very complicated, intricate and protracted Constitutional and legislative obstacles, which can take years.

It is reasonable to suggest that the way this matter will be settled, will follow close on the heels of the kind of dispensation that South Africa is aßœ Constitutional democracy.

Expropriation carried out with the intensity that is contrary to the Constitution would destroy South Africa’s economy as it did in Zimbabwe.

What is happening so far is what happens in a democracy, not in an authoritarian state.

Let’s hope this plays out that way.

Best regards,  
**Neil Gopal, CEO**



With Deputy Minister of Public Works, Jeremy Cronin, at the 2018 SAPOA Convention