



Land expropriation “dampening foreign investment enthusiasm”

Nic Andersen

June 23, 2018

Land expropriation without compensation is slowly edging closer as the ANC government (pushed by the EFF) looks to get its house in order. Now, the Institute for Race Relations (IRR) says the land issue is already having an effect on foreign investment.

Land Expropriation without compensation: IRR speaks

The IRR and its chief executive, Frans Cronje, have spent the past week in the United States holding private and public meetings. The meetings are supposed to drum up support for protecting and extending property rights back in South Africa.

According to Cronje, the South African narrative being discussed in Washington is worrying in terms of foreign investment.

“Africa, let alone South Africa, is not a high-profile issue on the American political and policy agenda. That is why it is so important that when South Africa gets on the Washington agenda, it is for the right reasons – and, unfortunately, the government’s repeated commitment to EWC has been allowed to compete for airtime with the narrative of reform that came out of the ANC leadership change in December 2017.”

As reported by *IOL*, Cronje claims influential Americans have shown “a considerable degree of surprise” at the route South African policymakers are taking. They are also said to be surprised at how government has “risked the investment reputation of the country to the extent that they have done”.

These Americans have called the policy “poorly thought through” and without “detailed plans for implementation”.

“One thing that became quite apparent during our first week in the United States was the degree of confusion and misinformation about the expropriation without compensation (EWC) proposal. It was assumed in some places that the proposal related mainly to land and the further

implications were not well understood, especially where it came to regulatory expropriations – in the security industry for example,” Cronje told IOL.

While at the Cato Institute in Washington on Thursday, the IRR launched its new report looking at the EWC plans, “Empowering the State, Impoverishing the People”.

In the report, American investors are warned that “the undermining of property rights in South Africa” has serious implications.