

Press Release

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South African Institute of Race Relations

The power of ideas

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EWC report launched in the US warns of economic, strategic consequences

The Institute of Race Relations (IRR) today released a report in Washington in the United States to advance its campaign to protect and extend the property rights of all South Africans.

Titled 'Empowering the State, Impoverishing the People', the report warns that 'the undermining of property rights in South Africa has serious implications both for American investors in South Africa and for the strategic interests of the United States'.

The release of the report coincides with a presentation to the prestigious Cato Institute in Washington by IRR chief executive Frans Cronje.

'Empowering the State, Impoverishing the People' is aimed at 'helping Americans understand the likely ramifications if expropriation without compensation (EWC) is introduced', including strategic interests that go well beyond immediate economic ones.

The report states: 'The EWC proposal will also betray the constitutional settlement that Nelson Mandela did so much to achieve. It is also likely to have devastating economic and political consequences for all South Africans.

'For this reason, too, it is vital that all those wanting South Africa to rise above its divided past and achieve prosperity for all its people should stand together to help defeat the damaging EWC amendment that will otherwise soon be made.'

The report notes that expropriation without compensation 'will do nothing to address the inefficiencies, corruption, and other factors responsible for land reform failures' to date, and, if anything, will exacerbate these problems.

'Moreover, the land expropriated without compensation will – in terms of current policies – not be transferred to new black owners. Instead, it will be held by the state as a patronage tool and used by it to deepen dependency on the ruling party. This is the fraud at the heart of the EWC idea.'

By contrast, the report says, 'there are far more constructive ways in which effective land reform could be achieved', details of which are set out in the document.

The report also examines the wider implications of undermining property rights, cautioning that 'the ramifications will extend far beyond the agricultural sector to many other spheres'.

It notes that the EWC 'is part of an incremental assault on property rights and the free market in South Africa, which the ANC has gradually been intensifying over many years'.

The report points out that the IRR, formed in 1929 to oppose racial discrimination in South Africa, "has deep historical ties" to the United States, and its chief executive, Frans Cronje, chairs the US-based Board of the Friends of the South African Institute of Race Relations.

Read the full report [here](#).

The IRR invites all South Africans to join it in winning global support for property rights in South Africa and in securing a future of freedom for themselves and their loved ones by SMSing their name to 32823.

Ends.