

# Press Release

## For immediate release



South African Institute of Race Relations

*The power of ideas*

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#### **Expropriation list risks Venezuelan disaster for South Africa – IRR**

Media reports of a purported list of farms that the government intends to expropriate without compensation have sharpened anxiety about the policy direction South Africa is taking.

While we note the statement by the Department of Rural Development and Land Reform that ‘there is no truth to this document’, the IRR, whose analysts have had sight of the list, has every reason to believe it is legitimate.

The list and related comments by senior government and ruling party officials suggest three things to us:

- That the government has decided to commence farm seizures before public commentary and parliamentary processes have been concluded. This aligns with comments made by government and ruling party leaders.
- That high-value and productive properties will be prioritized for seizure. This is at odds – as the IRR has long warned – with assurances made by ruling party and government leaders that only unproductive land will be seized.
- That the government is not particularly concerned about investor perceptions and may proceed with seizing land regardless of the economic and other ramifications, and then move on to other asset classes as well.

The IRR has long cautioned that undermining property rights will have catastrophic economic and social ramifications. We predict that the policy of expropriation without compensation will trigger accelerated currency devaluation, stall foreign and domestic investment flows, drive the economic growth rate downwards – and possibly into recession by 2019 – and increase unemployment and poverty rates.

Taken to its extremes, the consequences could be as severe as those in Venezuela and Zimbabwe.

- The IRR is urging South Africans to voice their opposition to EWC by endorsing a letter to this effect, [here](#), which will be delivered to President Cyril Ramaphosa.

**Ends.**