

John Hanssen

A positive effect of expropriation without compensation would be a potential increase of efficient land use, which would increase the level of economic growth with South Africa's given level of inputs of labour and capital, says John Hanssen.

Negative effects include that, due to international law, implementation of land expropriation without compensation could result in costs exceeding the economic and social benefits; and it could decrease investor confidence, thereby allowing a decrease in foreign direct investment, ultimately resulting in decreased economic growth and development (infrastructure or otherwise). Also, corruption could result in inefficient allocation of expropriated land in the form of either favourable views towards family and friends or allowing bribes to negatively impact and affect the process.

And, finally, bureaucratic inefficiencies in South Africa will not strengthen the argument in favour of the implementation of land expropriation without compensation. At the start of the new democratic South Africa, 86% of total agricultural land and 68% of total land was characterised by white ownership, who made up approximately 10.6% of the population at the time. The ANC government set a target aim to redistribute 30% of land but by July 2006 only 4.1% of agricultural land had been transferred to new ownership, most of which was already under government ownership.

The conclusion to be drawn is that land expropriation without compensation in South Africa will cause further damage to economic growth.

BIO

University: University of Pretoria

Funding: Family

More about John

Favourite subjects: Economics.

Interests: Languages and music.

Inspired by: My family, and various academic figures.

Community activity: Volunteer rescue-dog walking.

In 10 years' time ... I hope to be working securely in the finance sector.