

Mahfouz Raffee

Land expropriation without compensation in South Africa will have profound consequences for formal and practical rights to the ownership and use of property, and will both jeopardise and unlock opportunities for economic growth, writes Mahfouz Raffee.

Central to this argument is an understanding of the bifurcated nature of the South African political economy, where prosperity in one domain is integrally linked to destitution in the other: wealth accumulation by dispossession; exploitation at the point of production; political regimes of segregation and control; and (more recently) a neoliberal approach to economic growth.

South Africa's historically prosperous sphere can expect negative economic consequences, as embarking on a broad land-reform project that offers no compensation to landowners fundamentally threatens ownership rights to private property. This uncertainty in land markets will threaten credit markets and deter private investment.

However, in a country where the bottom 90% of households own a mere 15% of wealth, it is unsurprising that weaker property rights threaten primarily the elite minority. The poor in South Africa (over 55%) already face weak property rights in rural areas, informal settlements and crime-ridden townships; they already face expensive access to credit; and they already suffer from underinvestment in their human capital. For them, the prospect of expropriation without compensation offers hope and is a valuable tool to tackle wealth inequality, unemployment, and unsatisfactory housing and connectivity (access to housing, schools, sanitation, electricity, transport, and other economic resources).

BIO

University: University of the Witwatersrand

Funding: Self

More about Mahfouz

Favourite subjects: Philosophy, Labour Economics and Development Economics.

Interests: Social development, inequality, and analytic philosophy.

Inspired by: Argentine economist Raul Prebisch; Guyanese historian, political activist and academic Walter Rodney; and philosopher and mathematician Bertrand Russell.

Community activity: The #PayTheGrants campaign, which urged the government to continue its work in fixing the inefficiencies around the implementation of the Covid-19 R350 Social Relief of Distress grant.

In 10 years' time I hope to see a Universal Basic Income and Services in South Africa.