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## **GIVE RAMAPHOSA GOVERNMENT A CHANCE, BUT ...**

*By Theuns Eloff: Executive Director, FW de Klerk Foundation*

The new Ramaphosa Cabinet is one of promise and compromise. The Gordhans, Nenes and Hanekoms indicate that something new is possible on the economic front. The markets have also taken note, and the Rand is stronger than it was before Nene was fired. On the other hand, the Mabuzas, Dlaminis and Gigabas show that the struggle against state capture, corruption and poor governance and management is far from over.

After the recent vote on expropriation without compensation many South Africans feel discouraged and betrayed. Many thought the ANC-decision of December 2017 would never be implemented. Others were skeptical about Ramaphosa from the beginning - he, after all, inherited a divided and rotten ANC. The question is: should ordinary South Africans give the new government a chance?

My answer is: Yes, BUT ...

The “yes” part is easy. Ramaphosa is a big improvement on Zuma. He’s a good businessman who knows the principles of economics. He is eloquent, presidential and has a good grasp of large numbers. He has proven himself as an excellent negotiator and strategist. He deserves a chance - he has been waiting a long time for the opportunity to become President.

However, the BUT part (with capital letters) is just as important. There are serious questions about Ramaphosa’s ability to fix the ANC and get the party on the right track. Even formerly ardent ANC supporters, like Siphon Pityana, think it’s too late. Add to that the ANC’s divisions and the ability of Zuma faction to bounce back. The appointment of David Mabuza and Bathabile Dlamini testify to that.

As has often been said, President Ramaphosa has to consolidate his power base and operate between two polarities. On the one hand, there is the directive from Nasrec 17 to build unity and reconciliation within the ANC, in order to ensure victory in 2019. On the other hand, there are his own convictions and the slogan of his election campaign - to ensure good governance and eradicate state capture and corruption. In almost every decision he will face these two contradictory goals.

When the Cabinet decides on economic policy, he will also have to counteract the socialist and populist influences that still reside with his colleagues. Economic growth and investment will not be achieved through vague ambiguities. When he and his close colleagues want to rescue Eskom and other state-owned enterprises, he will have to make brave decisions about partial or total privatisation - and have to convince or ignore his hostile colleagues.

And throughout, he will have to work against the devastating consequences of racial transformation and cadre deployment in the public service. The consequences of this, especially as seen in an almost complete lack of capacity and integrity (think of SASSA and Esidimeni), stand like a mountain between him and success.



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At the moment, however, the biggest BUT is expropriation without compensation (EWC). Less than 24 hours after the Cabinet of hope was announced, the motion of madness followed. Led into a trap by the sly EFF, the ANC caucus voted by consensus for the motion, commissioning the Constitutional Review Committee to review section 25 and any other necessary clauses, and to suggest the necessary constitutional amendments so that the correct future “land tenure regime” can be established.

The motion quotes President Ramaphosa’s State of the Nation Address (SONA), which acknowledged the original sin of land dispossession, and bound him to the commitment that government will continue with a land reform programme that includes EWC, while use is made of all mechanisms at the disposal of the state. It should be rolled out in a manner that increases agricultural production, improves food security and ensures that the land be returned to those from whom it was taken under colonialism and apartheid.

Well, talk about contradictions. Anyone who believes that agricultural land can be expropriated without compensation on a large scale (with the associated uncertainties and banks that must write off billions in debt) and that agricultural production will increase and food security will be improved, lives in la-la land. This is compounded by the way in which the whole motion was passed - in an emotional manner, based on the false facts and lies of the State’s so-called land audit. To believe that black South Africans only own 2% of rural land and only 7% of urban land, one must also believe in fairy tales and has surely lost one’s grip on reality.

There is abundant evidence (also in the Motlanthe report presented to Parliament) that government should almost exclusively be held responsible for poor land reform. Why are those shortcomings not even addressed? How are things going to improve if the land is taken without compensation? How are black farmers suddenly going to become more successful? It was shown in the Parliamentary debate that the government owns about 4 000 farms, which lie fallow. It should further be noted also that there are millions of hectares of land in the possession of ANC-run Municipalities that could be made available for housing, but no action is being taken. In addition, there are millions of hectares of communally-owned land, which are still controlled with an iron fist by traditional leaders, and where agricultural production is not nearly optimal.

People who think that EWC is only targeted at a few farmers should think again. The EFF and much of the ANC would like the ability to expropriate all property. This includes houses, cars and shares. Secure ownership of private property lies at the heart of any successful economic system and country. It’s not a scientific law devised by white monopoly capital, it is internationally accepted and proven worldwide by successful countries. One cannot be halfway pregnant. In the same way, one cannot halfway protect property rights. Either your property rights are fully protected, or they are not protected at all, and disappear.

Despite all these rational arguments, the motion in favour of EWC was accepted by a large majority - including Ramaphosa supporters. One wonders whether the President knew



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about this, or whether the ANC was caught unawares by the EFF? It would surely have been possible to simply say “we will not allow the EFF to dictate to us, we will first conduct our own investigations and then table our own motion”. President Ramaphosa himself has already suggested that there should be an investigation into the causes of government's failed land reform efforts. It seems that the ANC and its president have mounted an EFF tiger that they will not be able to ride until the very end.

The conclusion is: give the Ramaphosa government a chance, but if they go through with EWC, all other promises and plans are doomed to fail.