

Land claim purchases on hold

STEPHAN HOFSTATTER Published: 2009/08/27 06:15:08 AM



THE Land Claims Commission has placed a moratorium on buying land under claim until money can be found to bail it out.

“There will be no new sale agreements signed until the money comes,” chief land claims commissioner Blessing Mphela told Business Day yesterday.

“Willing sellers who want quick decisions need to know there is no money to pay them.”

The commission’s cash crunch comes as a recession is forcing the government to scale down spending while facing often violent demands to ramp up service delivery. Restitution for apartheid forced removals, though guaranteed by the constitution, appears to have slipped down the priority list.

The commission asked the Treasury for R5,3bn for 2009-10, partly to honour outstanding commitments to land owners, but was allocated only R1,9bn. Its coffers dried up last month.

Farmer unions have warned the moratorium would have a “devastating” effect on farmers who had been made offers already and had planned to resume production elsewhere. “The uncertainty it creates puts food security and job creation in rural areas in jeopardy,” Bennie van Zyl, head of the Transvaal Agricultural Union-SA, said yesterday.

Mphela’s remarks come a week after President Jacob Zuma said the willing buyer, willing seller model for land reform was not working and should be revised.

Analysts have downplayed suggestions that Zuma was signalling the government's intent to resort to large-scale expropriation at below market value. The African National Congress knew this option was neither quicker nor cheaper as it would result in protracted legal action and erode investor confidence, analysts said.

The commission said it had little choice but to halt payments.

Outstanding payments for sale agreements already signed, including in the past financial year, have also been postponed, even though this could expose the government to legal action and penalties, said Mphela.

“We know this is causing untold suffering to land owners, especially now that the planting season has started and they don't know whether to till the land or not,” he said. “The only solution is money, but we've been told there isn't any.”

The commission would continue to research outstanding claims on the assumption money to settle them would be found eventually.

If Parliament decided the government could not afford to settle 4296 outstanding land claims — most involving dozens of farms claimed by thousands of families — there would be “serious implications”, he said.

The commission has spent R20,3bn settling 75000 claims since 1995. This paid for 2,4-million hectares of land, grants and cash compensation for 1,5-million people. “There's no way you can stop now after you've done it for so many others. This would open the possibility of huge legal claims against the state,” said Mphela.

But researchers and Treasury officials argue that allocations for restitution have declined because the commission has not presented a convincing case for R65,3bn extra it told Parliament this month it needs to wrap up its work.

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