

What has the NDP accomplished so far?

Jeremy Cronin SACP deputy GS

Catholic Parliamentary Liaison Office

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Are we asking the right question?

- “What has the NDP accomplished so far?” = arguably, a somewhat non-NDP question to ask
- One of the strengths of NDP = emphasis on “active citizenship”, collective responsibility for achieving 2030 vision – i.e. a move away from a “delivery state” - that citizens then monitor and hold to its “delivery promises”
- Perhaps a better question would have been: “What have WE (all) accomplished so far in moving together towards the NDP’s 2030 vision?”

But what IS the NDP?

And how should we engage with it?

- **A 20-year VISION?** - something like the Freedom Charter? But 484-pages and too much detail!!
- **A SOCIAL CONTRACT?** - a socio economic “social contract” following on 2 earlier “social contracts”:
 - 1994 among a majority of South Africans (1994 foundational elections to move to a non-racial dispensation),
 - between citizens and democratic state (1996 Bill of Rts and Constitution)
- **Or a PLAN?** But is it possible to have a 20-year plan? What is the link between NDP and existing planning across government – National Infrastructure Plan, New Growth Plan, Industrial Policy Action Programmes, Integrated Resource Plan, Operation Phakisa, down to municipal IDPs?

NPC institutionalisation and composition

- **Trevor Manuel:** *“The commission...is an interesting construct...my initial thought was to have the commission structured more along the lines of the Indian Planning Commission which has about half a dozen ministers on it...chaired by the PM ...I lost that battle...It was about wanting to follow a construct whose relationship to implementation would be understood.”* (Daily Maverick, 4 March 2013).
- In practice, a 25-person National Planning Commission with one minister in the presidency and a range of “civil society” academics, business-people, researchers. Its “relationship to implementation” therefore unclear.

Result = a hybrid document

Different things to different people

- SAIRR says: “it’s dangerous left statism”;
- NUMSA says: “it’s a neo-liberal sell-out”;
- And the rest of us cherry-pick - DA – 5% market-driven GDP growth and a “capable state”, SACP – let’s not “monumentalise” etc.

What important positives in NDP?

Let me 'cherry pick'

- Importance of integrated long-range planning (state planning) – to ensure strategic discipline in use of public resources (no white elephants – World Cup stadia, e-tolls, Gautrain)
- Emphasis on a CAPABLE and DEVELOPMENTAL state
- Many specifics – urban spatial transformation, fight against corruption, NHI, de-militarisation of SAPS, centrality of Public Employment Programmes...and much more

Diagnostic Weakness

NDP (p25) –referring to its earlier **Diagnostic Report** – “*it identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress...*”

- This avoids undertaking a self-critical evaluation of policies
- Implementation problems often rooted in poor policy
- Absence of broad partnership buy-in might be result of anti-worker, anti-poor policies and/or top-down imposition of policy “written in stone” (eg. GEAR)
- Does everyone have a fundamental shared interest in a common policy?

A key diagnostic failure

Why investment dropped post-1994

NDP envisages raising investment levels from 16% of GDP (2012) to 30% plus (achieved even in 1980s)
– but fails to say HOW, because it fails to DIAGNOSE WHY investment levels dropped badly post-1994 =

- Failure to appreciate South African monopoly capital's strategic agenda in supporting negotiated transition; and therefore
- Failure to critique our own macro-economic policies in mid-1990s that played into that strategic agenda.

SA monopoly capital in last decades of apartheid

Apartheid regime responded to 1973ff global capitalist crisis PLUS 1976ff growing international isolation (financial/economic sanctions) with increasing defensive measures:

- Tough exchange control measures (financial rand, etc)
- Prescribed assets

Surplus bottled up within SA, at a time when elsewhere globalisation and corporate trans-nationalisation were taking off (breaking social-contracts within advanced capitalist countries – to invest in low-wage economies opening up – (China, and after 1989 E Europe) – global labour market doubled in size in this period from 1,5bn to 3bn workers

In late 1970s through 80s SA monopoly capital forced to conglomerate – mining and finance capital expand into manufacturing, agro-processing, agriculture, forestry, retail, etc. – less profitable.

SA Monopoly Capital's post-apartheid agenda

- Support for democratic transition = regaining “global acceptance” = opportunity to transnationalise and “financialise”
- Succeeded in imposing GEAR policy package =
- Too high exchange rate vs competitiveness (to enhance value of R-denominated assets taken abroad);
- Too high a level of interest rates vs domestic investment (to attract short-term inflows to compensate for haemorrhaging of capital flight)

Massive wave of disinvestment

- Dual listings – Old Mutual, Anglo, De Beers, SAB, Investec, SASOL, etc. i.e. dividend payments increasingly externalised
- Transfer pricing
- Tax avoidance
- Illegal transfer (HSBC)

AND

- A local investment strike

Increasingly new democratic government engages with former SA capital as FOREIGN INVESTORS

Markets or people?

“Investors must realise they have a responsibility to the country and cannot work to a bottom line that has no heart or soul at all.” **Susan Shabangu**

“Investors aren’t emotional about where they invest. If the rate of return is not there, they’ll not invest in that country.” **Nick Holland, CEO Gold Fields**

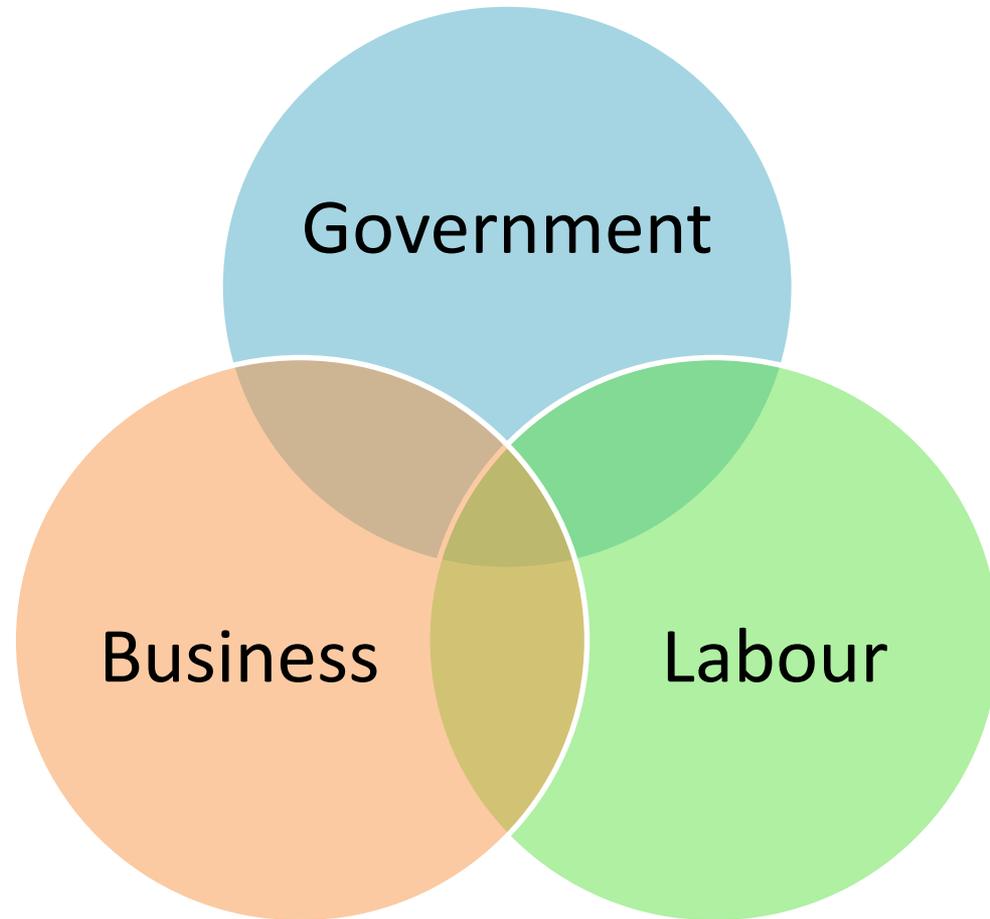
“It is increasingly intolerable that financial markets are shaping the destiny of peoples rather than serving their needs...Markets and financial speculation cannot enjoy absolute autonomy...We cannot wait any longer to resolve the structural causes of poverty in order to cure our society of an illness that can only lead to new crises.” **Pope Francis**

The NDP as a “social contract”

Unable to diagnose the structural causes underpinning the reproduction of crisis-levels of poverty, inequality and unemployment 20 years after 1994 breakthrough ...

...the NDP pins its hopes on an all-embracing “stake-holder” social accord

The stakeholder social contract



So what's the deal?

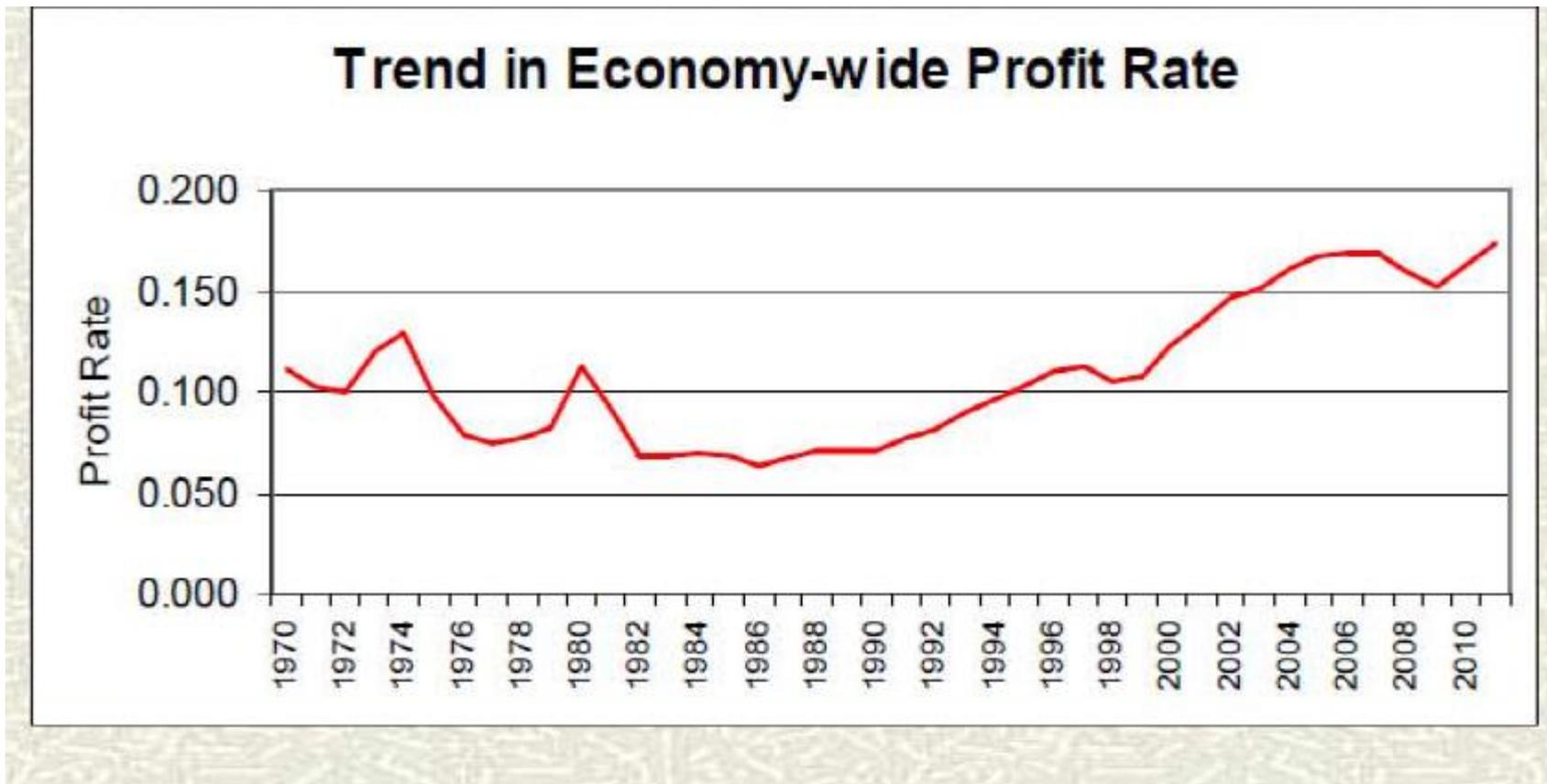
Labour agrees *“to accept lower wage increases than their productivity gains would dictate”* (NDP, p476) – **BUT THIS HAS BEEN THE TREND OVER PAST DECADE, IN ANY CASE (in pvt sector)!!**

Business agrees *“in return...that the resulting increase in profits would not be taken out of the country or consumed in the form of higher executive remuneration or luxuries, but rather reinvested in ways that generate employment as well as growth.”* (NDP, p.476).

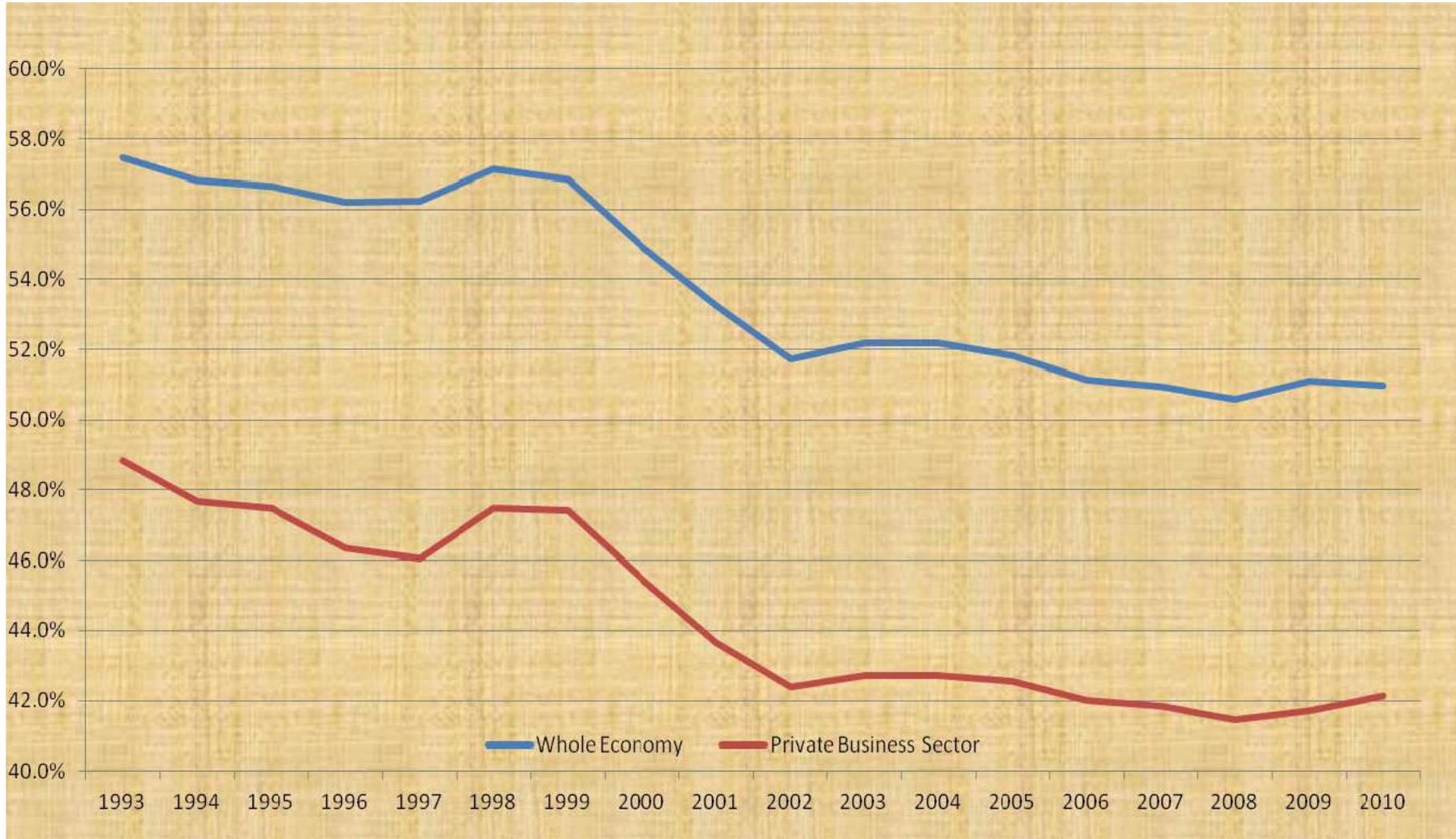
Government monitors compliance, acts as mediator, smoothing the way for a continued buy-in from labour and business, by lowering the cost of living for workers through “implementing a social wage” and by reducing the cost of doing business for business.

Profit rate – in SA 1970 to 2011

Dick Forslund, “Profits, ‘productivity’ & wage bargaining” (AIDC)

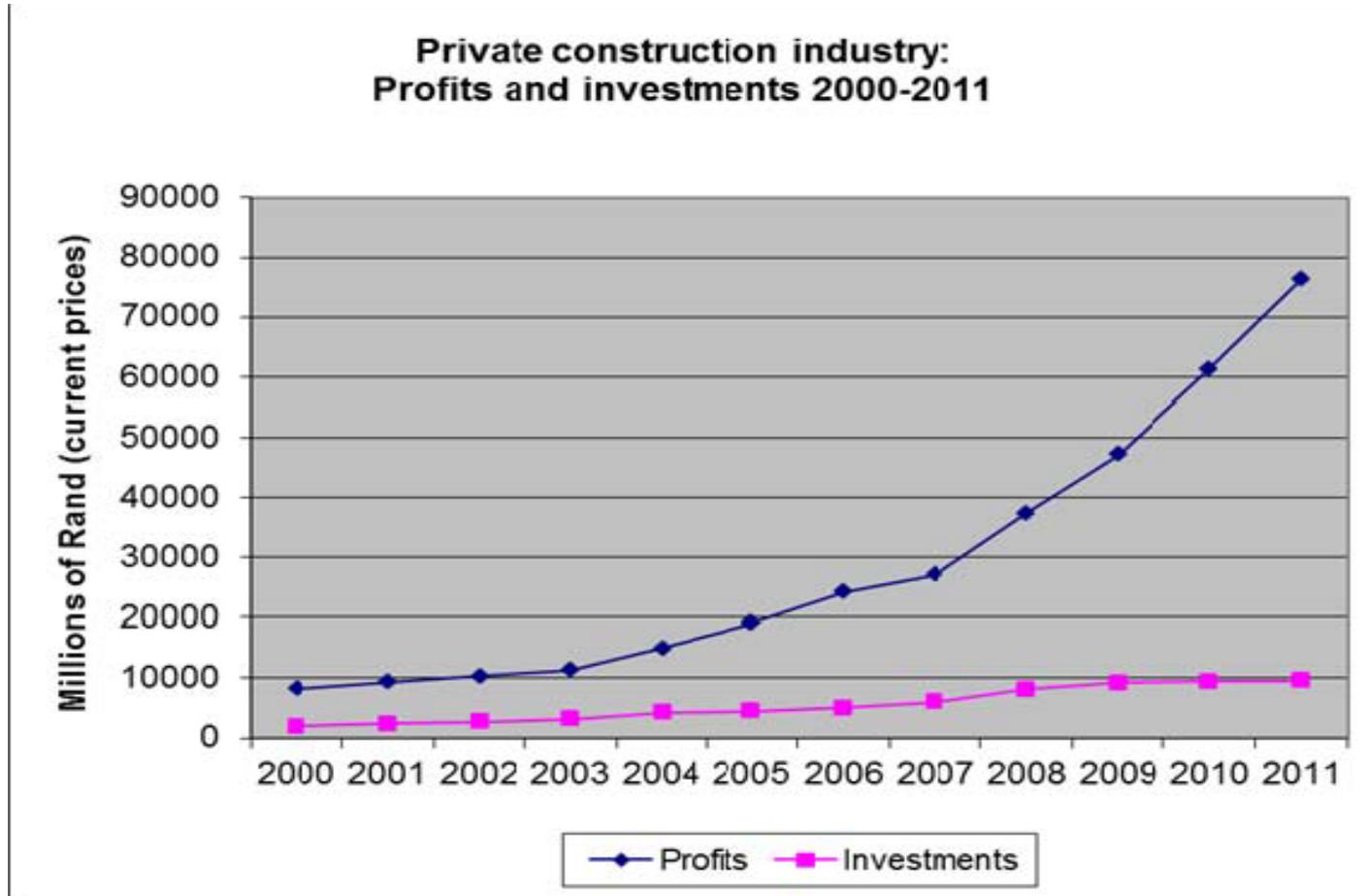


Falling wage share of GDP in SA since 1994



Using increased profits to invest?

Source Forslund



Evangelii Gaudium

“As long as the problems of the poor are not radically resolved by rejecting the absolute autonomy of markets and financial speculation and by attacking the structural causes of inequality, no solution will be found for the world’s problems...How many words prove irksome to this system! It is irksome when the question of ethics is raised, when global solidarity is invoked, when the distribution of goods is mentioned, when reference is made to protecting labour...”

So “What is to be Done?”

“Attacking the Structural Causes”

- National democratic sovereignty over transnationalised financial speculation
- Inclusive job creating growth – through re-industrialisation – with beneficiation critical
- Spatial transformation – spatial solidarity, the National Infrastructure Plan
- De-commodification of basic needs – including decommodification of work (work is not necessarily a “job”) – **I hope that the CPLO will help Parliament and the Executive to remain focused on these tasks, and will contribute to the discussion on HOW do this**