



THE 2019 ELECTION: Social and Economic Promises

1. Introduction

There are 48 political parties contesting the 2019 National and Provincial Elections. To provide voters with an idea of what they stand for, the parties (at least most of them) publish manifestoes which outline their policies and aims – should they be elected. Election manifestos are often seen by potential voters as mere promises made by political parties, but they do offer some kind of contextualisation of a party's priorities. This briefing paper will highlight some of the promises the major political parties have made with regards to housing, social security and job creation¹.

2. Housing

The provision of housing remains one of the biggest challenges in South Africa, and this fact is acknowledged by all the political parties in their manifestoes. Statistics SA's 2017 General Household Survey found that 2.2 million households still lived in 'makeshift structures' in informal settlements or in backyards. This backlog of adequate housing persists despite the various efforts of government to provide housing through projects such as government subsidy housing (RDP houses); community residential units; upgrading of informal settlements; emergency housing; the finance linked individual subsidy programme (FLISP); and social housing. All of these programmes have various qualifying criteria and are targeted at particular income groups.

With this context in mind, let's examine some of the election promises made by the ANC, DA, IFP, EFF, UDM and GOOD:

Financial aid to first-time home buyers and low-income earners are priorities for the DA, EFF and the IFP, with the DA proving some detail about who will qualify for the aid and how much they will receive. The target group is those earning between R3 500 and R15 00 per month. The aid can be used towards buying their first home or improving an existing structure. This proposal is not dissimilar to the government's Finance Linked Individual Subsidy Programme, which offers a grant to first-time homebuyers to help reduce the bond amount. To further ease the financial burden of owning a home, the DA promises to eliminate transfer duties for all first-time buyers and to approach the Law Society to drastically reduce conveyancing fees for this group. While both the ANC and GOOD promise to address the title deed backlog, the EFF states that it would establish a state construction company that would build state-owned housing complexes that would be leased to tenants for 99 years.

To protect homeowners and potential homeowners, the ANC promises to transform the composition and functioning of the property industry through legislative measures and the establishment of a Property Sector Ombudsman to eliminate speculative behaviour in the property industry. The EFF takes it one step further, and states that it will make it illegal for banks to repossess houses if more than 50% of the bond has been paid.

The ANC, DA, EFF and GOOD all promise to provide social housing which will aid in undoing apartheid spatial planning.

3. Social Security

It can be argued that the 17.5 million social grants provided to South Africans every month improve their quality of life and significantly contribute to poverty alleviation. According to the Stats SA's General Household Survey for 2017 report, social grants are the main source of income, rather than salaries, for the majority (57%) of people in Limpopo. It is for this reason that the issue of social security features prominently in the manifestoes of the bigger parties.

The EFF promises that it would not only double all the grants, but also strive to reduce the number of South Africans who are solely dependent on social grants to a minimum. Both the ANC and the DA are cautious about over-promising. The ANC states that it will enhance the provision of social grants by improving the targeting of recipients such as orphans, the aged on farms and remote rural areas, as well as those with disabilities. The ANC will also provide social security to child-headed households and finalise a comprehensive policy on social security that would include low-paid workers and informal traders. The DA focusses much of its attention on making the provision of grants to disabled South Africans easier by simplifying the review process. The DA is also promising an increase in the child support grant to an amount equal to the food poverty line of R547 – which is R127 more than the current R420 child grant.

4. Job Creation

The unemployment rate in South Africa is at 27%, with the majority of that being amongst young people. It is no wonder then that 'jobs for all' seems to be the clarion call of all the major parties contesting the elections.

At 275 000 jobs a year, the ANC's jobs target is much lower than the six million it promised under Jacob Zuma in 2014. The target is taken from the Presidential Jobs Summit, and the ANC promises in its manifesto that it will take forward the outcomes of the Jobs Summit. The 275 000 jobs will be funded by securing R1.2 trillion in investment of which a quarter of this investment is promised, but not yet secured. The ANC also talks about setting up a sovereign wealth fund, which it will use to inject investment into the economy's key sectors which will, in turn, stimulate job creation. Like the DA and the EFF,

the ANC's list of promises is detailed – from setting targets for youth internships in the public sector to ensuring adequate legislation is in place to give effect to the Constitutional Court's ruling on labour brokers. Technical and Vocational Education and Training (TVET) college graduates are also promised guaranteed placement in the Expanded Public Works Programmes.

The EFF promises, with specific targets per industry/sector, to create jobs in industries such as biotechnology, mining, robotics, agriculture and information and communications technology. These jobs will be created in various ways: for example, by ensuring the local beneficiation of marine resources in fishing communities; through the adoption of the civil society-driven 'one million climate jobs' initiative as a government programme; and by building and upgrading computer and science labs at state schools. A percentage of all these jobs will be ring-fenced for youth and women.

Unlike the ANC and the EFF, the DA has no job targets, but it does say that it will pass a Jobs Act if it becomes government to pledge one job in every household. Instead of targets, it plans to incentivise investment by liberalising foreign exchange controls, making it easier for firms to hire and fire labour, and lowering the current 28% corporate tax rate to 15%. It also proposes to stop labour unions from damaging the economy – as it sees it – by limiting the rights of unions to call for strikes; there will be a requirement for ballots to be held before there is strike action by unions. Unions will also be held financially and legally accountable for damages to individuals who have successfully brought cases of intimidation and/or assault against trade union members during strike action. Rooting out corruption around employment in the public sector has also been prioritised, and here the DA promises that all high-profile public sector jobs will be properly advertised, and that all candidates applying for employment in the public sector will be required to complete a public service entrance exam.

5. Education

After 25 years of democracy, education still ranks as a number one South African malady. This despite the fact that the country has managed to create a single education system with almost universal enrolment in the early years, the creation of no-fee schools, the formalisation of

early childhood development (ECD) schooling, and the promise of free higher education. But chronic teacher shortages and a lack of subject experts still persists. Some children are still receiving their schooling under a tree and some have to endure the indignity and danger of open-pit latrines. It is no wonder then that political parties have also prioritised ECD, and basic and higher education in their manifestoes.

The ANC promises a comprehensive package of ECD services, which includes birth registration, social assistance and parenting support; two years of compulsory quality ECD enrolment for four and five year olds before grade 1; standardising norms and standards for the ECD sector; and developing a 'first 1000 days' care plan (from conception to two years of age).

The DA also stresses the importance of ECD and says that it wants all learners to be appropriately prepared for the foundation phase of their schooling. To achieve this, the party is proposing that the Departments of Basic Education and Social Development collaborate to create a national network of early childhood education centres for children aged 0 to 4 years. Furthermore, a DA government would provide a per-child subsidy for Grade R and develop a more formalised curriculum for Grade R teaching.

The EFF's ECD promises include the provision of compulsory, free, and universal access to all children from three years old; an ECD curriculum that would focus on, amongst others, nutrition programmes, storytelling, and book-reading. They also would also provide full-time employment to all ECD practitioners.

Both the ANC and DA promise that they will prioritise improvement in the quality of teachers. The DA wants to do this by introducing specialist teacher training colleges, while the ANC will do so through targeted policies and strategies aimed at enhancing the skills and competencies of teachers and the entire school management team. Improving the standard of education is also a priority for these two parties, with the ANC saying that it will replace the current Annual National Assessment (ANA) with 'new innovative way of assessing learners through the National Integrated Assessment Framework for Grades 3, 6 and 9.' The DA, on the other hand, wants to use international benchmarking for Grades 3, 6 and 9. While the EFF does not say anything on assessments and teacher improvement, it is the

only party that promises 'free, decolonised education for all'. The EFF also promises the prioritisation of 'indigenous ways of teaching, learning and development; scholar transport for all learners who stay more than 2 kilometres from the school, and the abolition of the Independent Examination Board Exams.'

School infrastructure, such as the building of new schools and the upgrading of ablution facilities, is a priority for all three parties.

6. Healthcare

Access to affordable, quality healthcare is another major challenge for South Africa. The challenge is characterised by two healthcare systems: one that is public, underfunded, under-resourced, poorly managed and often non-existent; and a private one that is world-class, but inaccessible to the majority of South Africans. To fix the healthcare problem the ANC, DA and EFF make long lists of promises – from upping the number of primary healthcare clinics per district, to increasing the operating hours of healthcare facilities. The ANC promises to do this through its much-touted National Health Insurance (NHI), the DA through its 'Our Health Plan', and the EFF through its commitment to universal health coverage and increasing the life expectancy of all people in South Africa. Besides promising to roll-out the next phase of the NHI implementation the ANC also states that it will fill critical vacant posts in public health facilities; significantly expand training of doctors and nurses; screen an additional two million people for TB; ensure that at least 90% of HIV positive people are on treatment by 2020; and absorb over 50 000 community health care workers into the public health system.

The DA states that its alternative to the NHI, 'Our Health Plan', will be funded "through the removal of the current tax subsidy for medical scheme contributions." It further promises that "no South African will be left without medical care" and that it will work with the private healthcare sector in order to "improve [the] affordability of options for the lower and middle class." To improve the number of healthcare workers, the DA states that it will "remove racial quotas as they apply to access to medical school with the aim of increasing the cohort of doctors and nurses each year — while still ensuring diversity."

The EFF's healthcare promises are numerous, and include focusing on primary healthcare; integrating community health workers as full state employees; working with research institutions in Cuba to develop vaccines for identified preventable diseases in South Africa; building 24-hour integrated sexual trauma centres; upgrading hospitals so that each district in South Africa has a regional or tertiary hospital with a minimum of 450 beds, open 24 hours a day, with internal medicine, paediatrics, obstetrics, gynaecology and general surgeons; building the capacity to treat and respond to cases of autism; and ensuring that all clinics will be open 24 hours a day.

While all three parties' healthcare promises are detailed in their manifestoes, Russel Rensburg,² director of the Rural Health Advocacy Project, argues that the ANC, DA and EFF "ignore the institutional damage over the past decade and none of them have concrete plans or reform proposals to address the decline of the state's capacity to dispense its mandate for all."

7. The Economy

The economy is a central theme in all of the party manifestoes. Some parties see attracting investment as important, while others see a more direct role for the state in the economy, for example through nationalisation. Both the ANC and the EFF promise the creation of a Sovereign Wealth Fund. The EFF promises that this Fund will, amongst other things "partner with foreign direct investors with the clear purpose of maximising job creation and combating illicit financial flows, tax avoidance and base erosion." The ANC, on the other hand, says the creation of the Fund will be to "invest in strategic sectors of the economy and the long-term social and environmental needs of the country."

Writing for *Fin24.com*, Ferial Haffajee³ makes the following points regarding the three major parties' manifesto proposals on investment, economic growth, the independence of the Reserve Bank, and black economic empowerment:

7.1. Investment Climate

DA:

- Sees the creation of a business-friendly environment as the "engine of economic growth and development."

- Will repeal legislation on a new competition policy (which is not law yet) and the Protection of Investment Act, which it believes will endanger investments.
- Guarantees protection of property rights and rejects land expropriation without compensation.

ANC

- Promises to follow through with the investment pledges (of over R250 billion) made at the Jobs Summit in 2018.

EFF

- Promises "massive and protected sustainable industrial development and diversification to create millions of decent jobs between 2019 and 2024."

7.2. Economic Growth

DA

- Claims to be the only party that puts economic growth at the centre of employment, investment and empowerment.
- Supports private sector-led growth, with the state playing an enabling role.

ANC

- Favours a state-led growth model – it calls this the capable state model to support employment and a more robust economy.

EFF

- Favours centralised state planning and ownership as its model – a socialist model with some private ownership, but only by black Africans.

7.3. Independence of the Reserve Bank

DA

- Expresses unequivocal support for an independent central bank.

ANC

- While it took a resolution at its 2017 national conference to nationalise the Reserve Bank, its manifesto is less clear.
- Analysts have argued that the wording in the manifesto is "holding the potential to interfere in the bank's independence."

EFF

- Will nationalise the Reserve Bank and all other banks.

7.4. *Black Economic Empowerment*

DA

- The creation of its BEE policy has almost split the party. While the party expresses support for black empowerment because of South Africa's history, the solutions it offers are "a mish-mash" that "don't hang together coherently", according to Ms Haffajee.

ANC

- Has the best record of black empowerment: its policies have seen a black middle class of significant size grow over the past 25 years.
- Proposes a new model of worker ownership, or what is called stakeholder capitalism.

EFF

- The entire manifesto is geared toward BEE in various forms, using a mix of socialist and patronage policies.

8. Conclusion

An election manifesto says to the voter that a party has taken the time to think about how it will respond to all of the societal challenges the country faces. However, voters should be wary: parties are inclined to over-think things and to promise the world to the electorate.

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¹ Copies of the manifestoes available online at <https://tinyurl.com/yxda9mqy>

² Manifestos Unpacked: Parties make 'universal' health promises, but lack detail. Available online at <https://tinyurl.com/yxdh5soq>

³ Sunday Read: Elections and the economy 2019 - what's your party's promise? Available online at <https://tinyurl.com/y2u662ap>

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