

Press Release

For immediate release



SOUTH AFRICAN
INSTITUTE OF
RACE RELATIONS

South Africa's Leading Research and Policy Organisation

www.sairr.org.za

15 July 2013

Media Contact: Frans Cronje

Tel: 011-482-7221

Email: fcronje@sairr.org.za

SAIRR report cautions that the NDP is set to collapse

"The National Development Plan (NDP) is fatally flawed and will fail to achieve its social and economic aims," says the South African Institute of Race Relations in a report released today.

Says the Institute's deputy CEO, Frans Cronje: "The NDP has been hailed by the media, business, the government, and the political opposition. However, our analysis has uncovered a quagmire of ideological dyslexia, economic confusion, and conflicting ideas. The plan is thus set to collapse under the weight of its own contradictions."

"Far from heralding a great economic reformation, the NDP at best seeks to tinker with current failed policy interventions. It is non-committal on labour market regulation, proposes increased racial policy requirements for investors, contradicts itself on property rights, and offers no serious reforms on schooling and education policy. In fact, it proposes even more state intervention in the economy, despite all the evidence that such intervention has done more harm than good."

"In addition very few of its proposals have been costed – which means they are wish-lists, rather than serious policy recommendations."

"The NDP also betrays the poor. Its focus on very low-wage labour and subsistence activity will deny most (black) South Africans the chance of attaining a middle-class lifestyle over the next twenty years. Here, the plan sets the bar too low – mostly because it is not prepared to go against current political wisdom and propose the dramatic reforms necessary for South Africa to reach its full economic potential."

"Ironically, we thus largely agree with the Congress of South African Trade Unions (Cosatu) that the NDP is flawed and will fail. Of course, we reach that diagnosis by different methods, while our prescription for what must instead be done is very different."

"The real danger is that clever marketing and the sheer size of the plan (480 pages) will encourage complacency about the challenges facing the country in the belief that something is being done. Certainly, corporate leaders who intend to structure their own strategic plans around the NDP are making a serious mistake. Over time, however, it will become increasingly obvious that the plan is failing to achieve any of its investment, growth, or employment goals."

"What South Africa needs instead of the NDP is fundamental and dramatic policy reform. This must include the deregulation of labour markets to free the poor to find work, the abandonment of racial policy to boost investment and entrepreneurship, effective steps to improve the quality of teaching and learning, and the introduction of a constituency-based electoral system to compel government accountability downwards towards communities. Such a reform strategy will also be single-minded in its pursuit of investment-driven, rapid economic growth as the only means of driving unemployment down to the NDP goal of 6% by 2030."

Ends