

# National Planning Commission

## Minority Report

May 11<sup>th</sup> 2012

### Why a Minority Report?

We must acknowledge that the vision of the NDP is crucial, and that much effort has been put into its development. There are many constructive elements that could address poverty, improve the well-being of all citizens and conserve our environmental resources. However, if the underlying challenges are not addressed, it is our view that the NDP cannot achieve its vision:

- Failure to acknowledge ecological limits
- Continuing commitment to every increasing economic growth – “virtuous cycle of economic growth”

A cornerstone of democracy should ensure that citizens can engage constructively. Citizens that are fed empty promises, berated for not engaging, and then ignored when we do input, withdraw from formal participation processes; and either become passive citizenry (the NPC appears to view society in this way currently) or embark on protest action (as shown by the current number of delivery protests).

Over the last year, civil society organisations have invested much time and thought into the National Planning Commission processes. However, it is our contention that there is little evidence that our views have been incorporated into the end product in any meaningful way. In the case of Chapter 4, the views of civil society were not even solicited, while in Chapter 5, the views of civil society appear to have been largely lost in the process of incorporating all stakeholders.

We therefore submit this report in the spirit of constructive engagement, from an active citizenry who seeks to be heard in national development debates of our nation.

### The myth of Economic Growth.

Economic Growth does not equate to societal wellbeing.

In 2003, a UN report focused on human development in South Africa noted that the “current strategies and policies for achieving growth through increased exports and competitiveness are pursued through the adoption of new production technologies that are increasingly capital intensive”<sup>1</sup>. The report goes on to argue that such an approach is logically anti-poor as it widens the gap between employment growth and economic growth.

In 2011, eight years later, the National Planning Commission (NPC), produced a diagnostic report which acknowledged that during the '00s, there had been 4% economic growth but that the 40% of the wealth had gone to 10% of the richest people, and that the economy had lost 1 million jobs in 2009.<sup>2</sup>

Despite this, the NDP is underpinned by the concept of growth. What this ultimately advocates is a business-as-usual approach and not a new paradigm. At no point does it question whether growth in the neo liberal concept is the right way forward given its failure to address poverty and job creation, as noted in the diagnostic report and the challenges of a low carbon future. The NDP proposes that GDP per capita should more than double between now and 2030. However, the proportion of income earned by the lowest 40% is

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<sup>1</sup> SA Human Development Report, 2003, page 80

<sup>2</sup> NDP page 140

only projected to rise by 4%<sup>3</sup>, and the gini -coefficient is only to drop from 0.7 to 0.6, while requiring GDP annual growth of 5.4%. So, the question is who is this growth for?

This is a moral and ethical question. It seems to favour the major interest holders and key drivers of our economy, those who have amassed wealth, while failing to deliver jobs and development, rather than really addressing the needs of the poor as outlined in the “Thandi” story.

### Failure to acknowledge Ecological Limits

According to the 2010 Millenium Development Goals Assessment for South Africa, “Analyses reveal that environmental preservation is an essential foundation for sustainable development and poverty alleviation”, and “The degradation of the environment threatens the very basis of sustained economic growth<sup>4</sup>”. This concept does not appear to have been integrated into the National Planning Commission’s plans.

### Recommendation:

*The National Planning Commission should engage society in a participative discussion to generate a new understanding of economic growth and development within ecological constraints – addressing the inherent contradictions between different sections of the National Development Plan.*

### Low Carbon Economy versus Energy Infrastructure build:

According to a Global Climate Network report, if we measure the employment opportunities provided by clean energy compared with carbon intensive industries, it suggests that renewable programmes will generate more jobs per dollar and more jobs per megawatt of installed power than fossil fuel plants (UNEP/SEF Alliance 2009, Kammen et al 2004)<sup>5</sup>

Chapter 4 and Chapter 5 of the NDP appear to reflect the tensions between a potential new paradigm and business as usual. Some examples are provided below.

Civil Society	Chapter 4: Energy Infrastructure	Chapter 5: Low Carbon
Economics and Finance: Beyond GDP, Full cost accounting based choices Transformational Think beyond our current growth paradigm <sup>6</sup>	Strong emphasis on economic growth – “sustainable supply of domestic coal needs for power, synthetic fuels and chemicals, and sustainable expansion of coal export markets” Infra-structure build on train freight corridor, water infrastructure – geared towards coal expansion <sup>7</sup> the country is committed to exploiting its mineral wealth <sup>8</sup> ,	Commitment to carbon constraints <sup>9</sup> The low carbon economy appears to be conditional in that it is proposed to roll out without harming jobs or competitiveness. <sup>10</sup> How to make use of minerals... whether there is any role for them in long term <sup>11</sup>
Relationship to nature and society: Precautionary, Planet, people and prosperity, Intergenerational focus, Building resilience to climate change Preservation of our resource base (water is paramount) Moral and ethical approach	Trade-offs between environmental and energy options – not acknowledgement of ecological limits. <sup>13</sup> Reliance on cleaner coal technologies and shale gas to mitigate climate change <sup>14</sup>	internalise externalities through full cost accounting acknowledge that human well-being is dependent on the well-being of the planet

<sup>3</sup> NDP page 28

<sup>4</sup> SA Report on MDG assessment 2010, pg 97

<sup>5</sup> Page 5 of Low-Carbon jobs in an Interconnected World, Global Climate Network, 2009

<sup>6</sup> Civil Society input from August 2010 workshop

<sup>7</sup> NDP pg 142, pg 156

<sup>8</sup> NDP page 125

<sup>9</sup> NDP pg 193

<sup>10</sup> NDP pg 15

<sup>11</sup> NDP pg 186

Constant benchmarking against science <sup>12</sup>	Scarce water supplies to be increased through infrastructure build – no real acknowledgement of water limits but emphasis on water saving in urban areas <sup>15</sup> Assumption that regional water supply can be used for South African growth	Need for coherent plan to use water sustainably <sup>16</sup>
No nuclear, nuclear commitment to be reviewed, concern around shale gas, large hydro, support increase in renewables	Gas seen as an alternative to nuclear Renewables limited by IRP	nuclear is phrased positively – as the potential of nuclear. <sup>17</sup> Expanded Renewable energy
Public transport not based on fossil fuels	Increase liquid fuels refining capacity <sup>18</sup> Commuter rail upgrade <sup>19</sup>	Emissions related penalties for motor vehicles <sup>20</sup> Support for public transport
Process – Ask for opportunity to engage meaningfully	No engagement with LCE civil society sector	A number of workshops held but no opportunity provided to discuss resolution of contentious issues

**Recommendation:**

In order to provide meaningful input into the government’s developmental agenda, the NPC should maximise its unique position to engage society on the current misalignment of government policies and programmes, and make recommendations on their resolution.

In order to ensure that the neo-liberal agenda does not undermine the aim of the NPC, the Commission members should be augmented to reflect a variety of societal views and experience within the country.

*This report was drafted by Liziwe McDaid as an outcome of the civil society workshop on the NPD held on 19<sup>th</sup> April 2012, and has been endorsed by the following organisations:*

*Wildlife Society of South Africa*

*The Green Connection*

*Southern African Faith Communities Environment Institute*

*Sustainable Energy Africa*

*Earthlife Africa JHB*

*Project 90x2030*

*Gender CCSA*

*Greenpeace SA*

<sup>12</sup> Incl Civil Society input from August 2010 workshop

<sup>13</sup> NDP pg 159

<sup>14</sup> NDP pg 143

<sup>15</sup> NDP pg 156

<sup>16</sup> NDP pg 15

<sup>17</sup> NDP pg 186

<sup>18</sup> NDP pg 148, 149

<sup>19</sup> NDP pg 14

<sup>20</sup> NDP Page 190