South Africa’s Economic Transformation Since 1994: What Influence has the National Democratic Revolution (NDR) Had?

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Abstract When the African National Congress (ANC) became the democratic government of South Africa in 1994, it faced the challenge of transforming the economy. How this was to be done, however, revolved around two divergent views of the National Democratic Revolution (NDR) which forms the underlying ideology or glue that binds together the Tripartite Alliance comprising the ANC, the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU), the largest workers’ union in the country. Transformation could be achieved either radically through measures such as nationalisation where political control would be transposed into economic power, or via a more liberal route involving the promotion of macro-economic development and the growth of company earnings. This article investigates how the ANC government has sought to bring about the much-needed transformation by providing summary analyses of the following macro-economic policies: the Reconstruction and Development Programme (RDP), the Growth, Employment and Redistribution (GEAR) strategy, the Accelerated and Shared Growth Initiative - South Africa (ASGISA), the New Growth Path (NGP) and the National Development Plan (NDP). Evidence suggests that while the NDR promised radical results, the economic transformation that has been taking place in South Africa since 1994 has been driven largely by neo-liberal principles. This is in contrast to what the ANC claims in various policy documents and what various scholars, such as Jeffery (2010:5) and Venter (2012), have also claimed. As South Africa’s economic fortunes

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have declined in recent years in the face of mounting external pressures and internal policy uncertainty, this deviation from the original ideology and plan is causing significant discord in the country.

**Keywords**  
African National Congress (ANC) · National Democratic Revolution (NDR) · Freedom Charter · economic transformation

**Introduction**

“When, in 1994, a democratically elected government came to power, it inherited a contradictory legacy: the most developed economy in Africa on the one hand and major socio-economic problems on the other” (Terreblanche 2002).

While there was a shift in political power in 1994, the struggle for social and economic transformation remained unresolved (Luiz 2007). The country’s complex social and economic history had entrenched widespread unemployment, poverty, inequality and a lack of competitive capacity, while the volatility of the 1980s had further ravaged the economy. The new African National Congress (ANC) government thus faced enormous development challenges.

The ANC government had identified economic transformation as a fundamental component of the process of turning the country into a non-racial, non-sexist, egalitarian, united and democratic South Africa (ANC 1994). Although transformation was clearly necessary, how it would be achieved in terms of the National Democratic Revolution (NDR), as expressed in the Freedom Charter, rested on two divergent views. First, transformation could be achieved radically through measures such as nationalisation which called for political control to be transposed into economic power. Secondly, transformation could be achieved through the adoption of a more liberal approach in which the promotion of macro-economic development and the growth of company earnings would take precedence over radical redistribution (Hudson 1986:9; Brits 2014:507). These two views are integral to the ANC’s ideology or the way in which the ANC government thinks about its reality (which in turn shapes government policy).

At present the radical and populist interpretation of the NDR is gaining ground in the face of declining economic growth in South Africa (0.2% in July/August 2016), growing joblessness (26.7% in March 2016), and poor service delivery (92% of municipalities in financial difficulty). This bleak picture resonates with the increasingly strident demands being made by the Economic Freedom Fighters (EFF) political party (EFF 2016) and with some of the key issues raised in the State of the Nation Address (SONA) 2017 delivered by the President of South Africa, Jacob Zuma (Zuma 2017).

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1 “…the Freedom Charter was adopted by the ANC as its official programme in 1956 and has become its lodestar. However, controversy over the Charter’s meaning has never abated among opponents of apartheid (Hudson 1986:9).”

2 The Constitution of the EFF says the primary aim of the EFF is: “To capture political and state power through whatever revolutionary means possible to transform the economy for the benefit of all, in particular Africans.”
Against the above backdrop, this article analyses South Africa’s economic transformation from 1994 until 2017 with a view to ascertaining whether or not the ANC’s macro-economic policies are true to the radical interpretation of the NDR, as reflected in the Freedom Charter. The NDR, according to the governing alliance, is the most recent inculcation of the struggle against apartheid as it was formulated in documents such as the Freedom Charter (Nzimande 2006; Hudson 1986:9).

Methodology

The research is based on a literature study and a descriptive analysis. First, a succinct description of the NDR is provided and, secondly, a chronological account is given of the ANC government’s macro-economic policies from 1994 until 2017; this is in order to identify the possible influence of the NDR on those policies. The policy analysis is conducted through a description and explanation of the following macro-economic policies: the Reconstruction and Development Programme (RDP), the Growth, Employment and Redistribution (GEAR) strategy, the Accelerated and Shared Growth Initiative—South Africa (ASGISA), the New Growth Path (NGP) and the National Development Plan (NDP), as well as a summary analysis of the most important pieces of redress legislation relating to economic transformation that were adopted in terms of the macro-economic policies, namely the Employment Equity Act, Act 55 of 1998 (EEA) (RSA 1998), the Broad-Based Black Economic Empowerment Act, Act 53 of 2003 (BEE/B-BBEE) (RSA 2003), and the Mineral and Petroleum Resources Development Act, Act 29 of 2008 (MPRDA) (RSA 2008).

The NDR, the principles of which are expressed in the Freedom Charter, has played a crucial role in the ANC’s quest to bring about macro-economic transformation in South Africa since 1994.

Significance of the NDR

The NDR is the binding ideology of the governing Tripartite Alliance consisting of the ANC, the SACP (South African Communist Party) and COSATU (Congress of South African Trade Unions). The NDR cements this alliance (which was formed during the struggle against apartheid) and other united but diverse groups against the enemy of “colonialism of a special type”/apartheid and its exploitative economic

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3 The Alliance shared the perspective that as much as the NDR was not a socialist revolution, it was not a struggle for capitalism either. This shared perspective was deepened through the adoption of the Freedom Charter in 1995 which, while not a socialist document, envisaged a radical transformation of society, including major restructuring of the capitalist system itself in favour of the overwhelming majority of the people. The shared perspective was also strengthened by the ANC’s commitment to a working class bias as captured in the Morogoro Conference as well as what is contained in the ‘Green Book’, which the discussion document refers to (Nzimande 2006).

4 Marlow (2005:333) defines descriptive research as follows: “A process of recording and reporting phenomena.” The aim of this type of research is to accurately determine what is happening.

5 This situation is said to exist when the coloniser lives with the colonised in the same country (ANC 1987).
Furthermore, the ANC claims in various policy documents that the NDR forms the basis of its policies. Various scholars, including (Jeffery 2010:5), Venter (Venter 2012) and Johnson (2009), have concurred that the NDR should indeed form the basis of the policy formulation approach followed by the ANC government.

According to another scholar, the NDR is radical in nature, even more radical than Nzimande describes in footnote 4 above. According to Mosala (2015:11), the NDR will be (or should be) both anti-imperialist and anti-capitalist and more socialist, with the redistribution of resources—to address the contradictions and legacy of colonialism of a special type (CST)—forming the core of the policy. Some of this sentiment is expressed in the Freedom Charter:

“The national wealth of our country, the heritage of all South Africans, shall be restored to the people; The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole;

All other industry and trade shall be controlled to assist the well-being of the people … Restrictions of land ownership on a racial basis shall be ended, and all the land re-divided amongst those who work it, to banish famine and land hunger; The state shall help the peasants with implements, seed, tractors and dams to save the soil and assist the tillers” (Congress of the People 1955).

This literal interpretation of the quoted section is gaining traction, as is the question why, 23 years after apartheid, the disparities in society described above still exist in spite of the Charter having been the expression of the NDR since the latter’s development prior to 1955. Given this background, this article attempts to analyse the influence of the NDR on macro-economic policies from 1994 until 2017. In order to do this, the next section will offer a short contextual perspective on the period of transition in South Africa before going on to analyse the various macro-economic policies of the ANC government.

**Contextualisation: the changing macro-economic policy landscape in South Africa**

South Africa’s democratisation led to the integration of the country into the world economy, which gained momentum after the elections in 1994. This followed the earlier crisis that had engulfed South Africa which started in the late 1970s and was
characterised by a weak currency, high unemployment, and persistent economic instability and inequality.

Politically, the world was changing. The fall of the Berlin Wall in 1989, which led to the implosion of the Union of Soviet Socialist Republics (USSR) in 1991, prompted a major shift in geo-politics. The collapse of the USSR gave rise to the term, the ‘end of history’, as well as references to the triumph of liberal democracy by Fukuyama (1989). In Africa, countries such as Zambia, Mozambique and Tanzania, which had embraced nationalisation and other socialist ideologies, were in economic crisis. Neo-liberal thinking dominated capitalists’ rule worldwide. The ANC signed a new General Agreement on Tariffs and Trade (GATT) and joined the World Trade Organization (WTO) in 1995, thereby committing itself to neo-liberal policies in the post-apartheid era.

The apartheid government had been late in embracing a market-based policy of deregulation and non-intervention. From the early 1980s onwards, it had sought to enhance the role of the private sector in policymaking, and the ANC, once in power, extended the process of economic liberalisation by adopting macro-economic policies that rapidly led to the containment of fiscal deficit (easing fears of a populist response), single-digit inflation and lower interest rates. Macro-economic policy was welcomed by the private sector, both locally and abroad, as well as by international institutions such as the International Monetary Fund (IMF) and the World Bank, but not by the labour unions (Greenberg 2003:46).

**Macro-economic policies after the transition**

To understand the policy trajectory pursued by the post-apartheid government, it is essential to grasp the meaning of ‘macro-economic policy’. Macro-economics is that branch of economics that is concerned with group behaviour, where the entire nation is the group (Kennedy 1984:3). It seeks to answer questions about the general levels of activity, employment, prices, production, income, expenditure, inflation, unemployment and volume of money in circulation in any economic system. Therefore, macro-economic policy refers to a plan or course of action that focuses on the economy of the country as a whole, which is specifically aimed at managing employment and production levels, determining levels of income and expenditure, limiting inflation and ensuring economic growth (Cornelissen et al. 2006:402). After South Africa’s democratisation in 1994, the ANC government adopted this as a macro-economic policy philosophy to stabilise and grow the economy, which had been under siege since the late 1970s during the apartheid government, and to address unemployment which was contributing to poverty and inequality in the country. This philosophy was first expressed by the ANC in 1994 in its new strategic blueprint, the Reconstruction and Development Plan (RDP).

**Reconstruction and Development Programme (RDP)**

The RDP, which was launched by the ANC shortly before the 1994 elections, was a comprehensive and very ambitious national project (Brits 2014:507). The RDP base document, a product of the ANC-led alliance, was also a radical document which
required that the many tenets of the Freedom Charter be met. The document was, however, revised many times in order to accommodate the interests of the business sector.

The RDP White Paper, which was adopted by the Government of National Unity (GNU) in 1994, professed a firm commitment to fiscal and monetary discipline, while omitting any reference to nationalisation. It also raised the possibility of funding the RDP through the privatisation of under-utilised state assets (Jeffery 2010:240). The White Paper described the RDP as an integrated, coherent, socio-economic framework with its main priority being the creation of employment through economic growth. Other goals included the alleviation of poverty and extreme inequality, increasing manufactured exports, and addressing uneven development in different regions in the country (RSA1994).

The objectives of the RDP were wholly compatible with privatisation, liberalisation and convertibility (Marais 2001:237). The document stated that the country’s monetary policy would recognise the independence of the South African Reserve Bank (SARB), while industrial policy would focus on restructuring existing industries and correctly identifying significant new areas (such as minerals beneficiation) for industrial development. Trade policies would be liberalised in line with the country’s obligations under the Marrakesh Agreement (1994) establishing the World Trade Organization (WTO) in order to stimulate manufactured exports (Jeffery 2010:240).

The RDP was successful in some areas, such as social security where the government established an extensive welfare system. A free health care system was also implemented for pregnant women and children, and free meals were provided to between three and a half million and five million school children (Cling 2001:67). Five hundred new clinics were built, ensuring that five million additional people had medical services close to where they lived. Furthermore, more than two million additional homes were connected to the electricity network, resulting in 63% of the population having electricity at home (Cling 2001:67).

From the outset, however, the implementation of the RDP proved to be far from plain sailing (Luiz 2007; Cameron 1996). The RDP, essentially a national macro-economic upliftment programme, was abandoned after 2 years because of inadequate economic growth to finance it, the inability of the public administration to implement it (Brits 2014:507) and various intra-organisational shortcomings, namely, a lack of policy coordination and implementation skills within the ANC’s own ranks and the fact that the loyalty of the incumbent civil servants was in question. A lack of resources was another factor (Luiz 2007; Wallis 1995). The RDP fund of R2.5-billion or 2% of the national budget was not enough to alleviate the backlog in the provision of equal infrastructure and services to the underprivileged (Luiz 2007). The inability of the ANC government to prioritise the RDP and integrate it as a guide to its socio-economic policies was also a factor.

On 14 June 1996, in the wake of a severe currency depreciation and associated volatility, Minister of Finance Trevor Manuel tabled the Growth, Employment and Redistribution (GEAR) strategy in Parliament, announcing that the parameters of the policy “were not negotiable at this stage” (Abedian and Ajam 2009:82). The government asserted that the GEAR strategy was premised on the RDP (Jeffery 2010:245).
GEAR was introduced as a strategy to rebuild and reshape the economy “in keeping with the goals set in the RDP” (Jeffery 2010:245); in other words, it was based on free market principles with a strong focus on economic growth (Brits 2014:507). The GEAR document emphasised that according to the Department of Finance (1996) the accelerated economic growth associated with stronger employment creation was the key to arriving at an equitable distribution of income and improved standards of living for all. Employment creation provides a powerful vehicle for redistribution, supported by government housing, water and sanitation, health, education, welfare and social security services provision (Department of Finance 1996).

GEAR noted that the then 3% growth trajectory would neither accomplish sufficient job creation to eradicate unemployment nor allow for the needed expansion in social service delivery and the equitable distribution of income and wealth. Thus, the strategy provided for a targeted growth rate of 6% and the creation of 400,000 jobs per annum by 2000 (Department of Finance 1996; Jeffery 2010:245; Makino 2013:4).

GEAR also set a more stringent fiscal deficit target of 3% by 1999, down from the 4.5% set in 1994. The strategy further stated that this saving, combined with increased government investment, would eliminate government dissaving (Department of Finance 1996). The country’s monetary policy addressed inflation and financial stability, and provided for a further relaxation in exchange controls. The trade and industry policy, in turn, focused on employment and boosting international competitiveness. Emphasis was placed on enhancing competitiveness and employment in the manufacturing and tourism sectors, with industrial support measures including innovation, productivity and small business support programmes, tax exemptions and tax holidays, and the strengthening of competition legislation (Luiz 2007). With regard to labour, it was stated that trade liberalisation had to be accompanied by greater flexibility in the labour market; otherwise rising unemployment would be the result (Jeffery 2010:245).

The implementation of GEAR proceeded rapidly and it was praised by the local and international business communities. However, the Tripartite Alliance’s COSATU and SACP were vehemently opposed to the scrapping of its predecessor, the RDP (Brits 2014:507). In 2001, the effectiveness of GEAR was measured against its expressed targets.

GEAR’s economic impact was determined to be mixed. It did ensure that South Africa strengthened its financial situation, lowered its interest rates and brought inflation under control (Habib 2013:81). In addition, the budget deficit was only 2.2% of GDP, import tariffs were below the anticipated 7.6% of the value of imports and investment by State-Owned Companies (SOCs) was growing by 13.6% per annum (Luiz 2007). In other areas, however, GEAR failed dismally. The fiscal gains came at a devastating social cost. Levels of inequality and poverty increased dramatically in the years immediately after the adoption of GEAR (Habib 2013:81). While GEAR promised a growth rate of 6% per annum, the growth rate never exceeded 5% and it was accompanied by an increase in unemployment that was well above 30% (Gevisser 2009:252). Formal non-agricultural employment declined by an estimated 3.3% in 2000 and Foreign Direct Investment (FDI) in 2000 amounted to less than 1% of GDP.
With declining employment and some brutal austerity measures in place, the effect was the perpetuation of inequality. Inequality as measured by the Gini coefficient increased from 0.672 in 1993 to 0.685 in 1999 (Habib 2013:81). Also, “[a]s had been the case with the RDP, inadequate administrative competence was a limiting factor” (Brits 2014:507). The benefits of economic growth therefore never trickled down, as promised by GEAR, and it was replaced by the Accelerated and Shared Growth Initiative—South Africa (ASGISA) in 2006.

**Accelerated and Shared Growth Initiative – South Africa (ASGISA)**

ASGISA was announced by Deputy President Phumzile Mlambo-Ngcuka in August 2005 and was launched the following year. The core objective of the programme was to halve poverty and unemployment by 2014, in line with the Millennium Development Goals (MDGs) (Anon 2006). Furthermore, it aimed to improve the country’s economic performance and job creation capacity. To ensure it achieved its objectives, the government sought to promote an average annual growth rate of at least 4.5% from 2005 to 2009, rising to at least 6% from 2010 to 2014. The trickle-down effect was also emphasised. In addition, the state promised to raise public expenditure on fixed capital investment to R370 billion over 3 years and step up its interventions to reduce inequality and assist the marginalised poor. In particular, it would seek to bridge the gap between the first and second economies, with the aim of eliminating the second economy altogether (Jeffery 2010:255).

Anon (2006) emphasised that under ASGISA the government would overcome “binding constraints” on faster growth. These were a volatile and often over-valued rand, infrastructure and investment backlogs, a shortage of suitably skilled labour, a lack of competition in various sectors, a heavy regulatory burden on small business, increases in the cost of transport and services provision, and deficiencies in state capacity and leadership.

Given the short period of time that priority was given to ASGISA, it is difficult to measure its success or otherwise. The initiative achieved some level of success. For example, the infrastructure programme included public sector spending which indicated an increase from 4.6% of GDP in 2006/07 to 9.6% in 2009/10 (Mbola 2009). Unemployment and poverty, however, remained unchanged or worsened after the adoption of ASGISA by the South African government. When Mbeki’s presidency came to an end, ASGISA was superseded by the New Growth Path (NGP).

**New Growth Path (NGP)**

The New Growth Path (NGP) was announced by President Zuma in his State of the Nation Address (SONA) in 2010. According to the NGP, the core challenges facing

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8 The Gini coefficient measures the deviation of the distribution of income among individuals or households within a country from a perfectly equal distribution. A value of 0 represents absolute equality, a value of 1 absolute inequality (UNDP 2014).

9 The first economy is the “white first world economy” while the second economy is the “poor black unintegrated economy”, as stated by Thabo Mbeki in his speech to the Black Management Forum in 2003 (Pressley 2003).
South Africa were mass joblessness, poverty and inequality (Morris 2013). Its main objective was to tackle these challenges by accelerating economic growth in the country (Morris 2013). The NGP also aspired to create five million more jobs by 2020 and reduce unemployment by 10%—largely through a public infrastructure programme (Gumede 2012). Furthermore, the NGP set out to reduce South Africa’s economic inequalities (Habib 2013:98). To this end, a set of policies with two distinct goals were recommended: enhancing the livelihood of those at the bottom of the economic ladder, and temporarily and voluntarily constraining the income of the upper middle classes and elite (Habib 2013:98).

The NGP proposed the following strategic principles to address the identified challenges:

- To deepen democratic and regional markets by growing employment, increasing incomes, and undertaking other measures to improve equity and income distribution; and
- To widen the market for South African goods and services through a strong focus on exports to the region and other rapidly growing economies (Patel 2011).

Similar to its predecessor, the NGP placed emphasis on infrastructure development as a source of employment and economic growth. The NGP identified various areas where employment could be created. Job drivers were identified as the infrastructure and services industries, the green economy, public services and rural development (Patel 2011). It takes time to implement policy but in view of the short time span of the NGP it is hard to assess its effectiveness or otherwise (Gumede 2012). The National Development Plan (NDP), which built on the NGP, was introduced in 2012.

**National Development Plan (NDP)**

The NDP is the latest macro-economic policy from the ANC government which emphasises economic growth as a way to deal with the challenges of unemployment, inequality, poverty and redistribution. This plan constitutes a long-term vision and covers the period up to 2030. Among the plan’s targets are creating 11 million jobs by 2030, eliminating income-induced poverty and reducing inequality—in this regard, the Gini coefficient should fall from 0.69 to 0.6 by 2030. Furthermore, the plan seeks a corruption-free society, strong adherence to ethical conduct throughout society and a government that is accountable to its people. The document acknowledges the progress made since 1994 such as periods of economic stability and increased access to health and education, social security, water, housing and electricity (National Planning Commission 2013).

The NDP is still relatively new and, realistically, its results will only become visible as time goes by. Yet it has so far attracted both praise and criticism from many different political and economic role players. The Democratic Alliance (DA) and other liberal organisations are pressing the government to prioritise the implementation of the NDP, while some within the Tripartite Alliance say that it is a betrayal of the NDR and the Freedom Charter. The Mass Democratic Movement (MDM) structures have also voiced their dissatisfaction with the NDP. NUMSA rejected the NDP for not being rooted in the historical liberation struggle in South
Africa and for being anti-Freedom Charter, anti-working class and ultimately not in
the best interests of the vast majority of South Africans (Jim 2013). According to
NUMSA (2013), the NDP leaves intact the existing patterns of ownership and
control of the economy and calls for a minimalist role by the state and for labour
market de-regulation. In addition, it sees land reform as being rooted in the willing
buyer–willing seller model and the macro-economic policy remains neo-liberal.
The NDP has no plan to support industrialisation or the manufacturing sector in
particular. Instead, the infrastructure plan reinforces dependence on raw material
exports (Jim 2013).

Redress legislation based on South Africa’s macro-economic policies

In order to realise the macro-economic policies referred to above, certain Acts were
promulgated for the purpose of redressing economic imbalances in the country.

The redress legislation, based on the successive macro-economic policies drawn
from the principles of the NDR and Freedom Charter, and implemented by the ANC, is
aimed at ensuring that previously disadvantaged groups participate in the mainstream
economy. The ANC, through its democratisation and de-racialisation policies, has
adopted legislation such as the Employment Equity Act, 1998, the Mineral and
Petroleum Resources Development Act (MPRDA), 2002, and the Broad-based Black
Economic Empowerment Act (B-BBEE), 2003.

The Employment Equity Act, for example, “[was] located within the context of
the country’s national transformation programme, namely the RDP” (BEE Com-
mision Report, 2001:2) and was the implementing mechanism whereby political
control would be transposed into economic power by cadre deployment in the three
government spheres, state-controlled companies (e.g. the Electricity Supply Com-
mision (ESCOM)), and semi-state institutions such as the Land Bank where “[a]
history of loyalty to the ANC became important when appointments had to be
made” (Joubert 2014:540).

The overarching framework of the MPRDA, which came into effect in 2004, was
“...informed by the vision of the Freedom Charter, which called for mineral wealth
to be owned by all people of South Africa” through the vesting of mineral rights in
the state. This allowed the state to act as a custodian of the mineral wealth on behalf
of all the people. This was to be achieved through the Broad-based Socio-economic
Charter for the South African Mining Industry of 2004 (CALS 2016:14).

The B-BBEE Act made provision for the economic empowerment of all black
people, including women, workers, youth, people with disabilities and people
living in rural areas, through diverse but integrated socio-economic strategies
(RSA 2003).

The laudable principles of the economic empowerment legislation, which was
adopted by the ANC with the advent of a democratic government in 1994, have—
except for a successful cadre deployment strategy—largely failed to redistribute assets
to the majority of the black community and has rather resulted in the enrichment of a
few BEE ‘deal makers’ (Emkes 2012:200).

The ANC, as the ruling party, has chosen to continue with the colonial economic
system. To legitimise this option, the ANC has resolved to push the de-racialisation
of the economy which perpetuated inequality, poverty, unemployment, racism and dispossession. De-racialisation championed by B-BBEE, Affirmative Action and the MPRDA is not tantamount to economic transformation as envisaged by the NDR and the Freedom Charter, but is a reformist programme of the national elite. The aforementioned macro-economic policies and redistributive legislation illustrate a deviation from the NDR and the Freedom Charter by the ANC, even though in its policy, strategy and tactics documents, and discussion papers, it stated that the NDR and the Freedom Charter remained its lodestar.

**Possible influence of the national democratic revolution**

The above discussion on the macro-economic policies and the various references to redress legislation indicate a lack of radical economic transformation and the fact that the ANC is pushing reformism, not radical economic transformation as some envisioned. The party, and especially the Jacob Zuma administration, is being severely lambasted for this perceived failing10 (Bendile 2015).

They also illustrate that the ANC government has bound itself to neo-liberal economic policies, which has resulted in it not achieving many of its promised objectives.

Inequality, poverty and unemployment are still prevalent in South Africa, despite economic growth after 1996. The ANC continued with economic liberalisation (the status quo), which was implemented by the apartheid government in the 1980s, and pursued co-option by monopoly capital instead of dismantling the colonial economic system. Further, the organisation legitimised co-option (entry-ism) through its policy of democratisation and de-racialisation of the economy, which led to the adoption of BEE and Affirmative Action. The discussion above indicates a gap between the ANC’s ideology and the ANC’s economic policy. The policies that the ANC have adopted are contrary to what the literal and more radical interpretation of the NDR and the Freedom Charter is, suggesting that the ANC’s economic policy is not radically influenced by the NDR, as it claims.

The ANC government faces popular discontent from the citizens of South Africa because of its failure to address the triple challenges of poverty, inequality and unemployment. This can be seen in the defections of trade unions from the Congress of South African Trade Unions (COSATU), the radical rhetoric of the National Union of Metalworkers of South Africa (NUMSA), the formation of the radical Economic Freedom Fighters (EFF) party, the growing number of service delivery protests, and the growing criticism being levelled against government by the #FeesMustFall movement, the Save South Africa movement—which has proclaimed: “Help us stop the Zuma nightmare” (Save South Africa 2017)—and the South African Communist Party (SACP) which is no longer supporting the ANC, either in the upcoming election or as an alliance partner, and is calling for the formation of a “new structure” (Ncana 2017).

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10 “They say they are simply hoping for economic freedom in their life time. They want to see the nationalisation of mines and the Reserve Bank. They also want JSE-listed companies to stop labour-brokering and a national minimum wage of R4 500” (Bendile 2015).
Conclusion

The ANC came to power at a time of profound political and economic change in the world and, as the government, it was faced with enormous economic challenges and two possible options: either to continue with the ‘colonialist economic system’ which was to become the neo-liberal economy of 1994 and beyond, characterised by a succession of economic policies described above, or to dismantle the prevailing ownership in the economy through radical nationalisation and redistribution. The ANC chose the neo-liberal option, which was dominant around the world at that stage. This, though, was in contrast to the promises of the NDR and the Freedom Charter.

Having got into power, the ANC pursued and continued with economic liberalisation, first adopting the RDP White Paper which committed the government to fiscal stability and a reduction of the budget deficit. Furthermore, the RDP committed the government to trade liberalisation. The RDP was subsequently replaced by GEAR which emphasised economic growth and the trickle-down principle. GEAR championed tariff reductions, privatisation, flexible labour markets, fiscal discipline and the relaxation of exchange controls—all of which are neo-liberal objectives. ASGISA and the NGP called for some form of government intervention, but they were hardly in line with what the NDR and the Freedom Charter had envisaged. The NDP was adopted by the ANC at the Mangaung Conference in 2012. It promotes minimal state intervention, and does not address the existing patterns of ownership and control of the economy or the de-regulation of the labour market. It remains a neo-liberal macro-economic policy. This is in stark contrast to the seemingly open call of the Freedom Charter for the redistribution of wealth.

In conclusion, it is clear that the ANC’s economic policies, which eventually became government’s macro-economic policies, are not rooted in the NDR and the Freedom Charter, especially not in the literal or radical interpretation thereof. This is despite the ANC stating that its economic vision rests on the Freedom Charter’s core message that the people shall share in South Africa’s wealth. This is a reflection of how the ANC is bound to neo-liberal orthodoxy, thus making the ANC government neo-liberal in character.

Abbreviations  
ANC, African National Congress; ANC-YL, African National Congress -Youth League; ASGISA, Accelerated and Shared Growth Initiative - South Africa; GEAR, Growth, Employment and Redistribution (strategy); NDP, National Development Plan; NDR, National Democratic Revolution

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