

SJT

A DIVISION OF THE HISTORY OF THE
WESTERN WORLD

1. The feudal or pre-industrial society was permeated by the aristocratic ideal based on passive property and patronage (1000-1770).
2. The Industrial society was permeated by the entrepreneurial ideal based on active capital and competition (1770-1940).
3. The Professional society is permeated by the professional ideal based on trained expertise, selection by merit and service.

MODERN GROWTH THEORY DISTINGUISHES
FOUR CONTRIBUTORY FACTORS
IN ECONOMIC GROWTH

1. Increase in employment.
2. Capital deepening or an increase in the Capital labour relationship.
3. Capital-modernisation due to technological advancement (New Knowledge) embodied in new capital.
4. Investment in human capital, i.e. education, training and professionalism.

THE CONTRIBUTION OF DIFFERENT KINDS OF INVESTEMENT TOWARDS ECONOMIC GROWTH

1. First phase (Britain) 1770-1870:

Capital deepening made the greatest contribution to growth.

2. Second phase (Germany & USA) 1870-1940:

Capital modernisation (capital quickening) and technological advancement were relatively important.

3. Third phase (USA, Germany, Japan) 1940-...

Investment in Human Capital, Professionalism became the most important growth factors.

DENISON'S GROWTH FACTORS - USA FROM 1929 - 1957

a) increase in employment	27%	
b) increase in capital (capital deepening)	15%	
c) investment in human capital (education and training)	23%	} 43%
d) new knowledge and technology (capital quickening)	20%	
e) other factors	15%	

ROBERT SOLOW (NOBEL PRIZE 1987)

He claims the 85% of increase in output per worker came from sources such as labour quality and technological progress.

WHAT IS THE TRUE MEANING OF PROFESSIONALISM

1. Discipline

- a) Disciplined training.
- b) Watchful discipline of expert colleagues.
- c) Rules of conduct or a professional ethos. Rules of conduct demand confidentiality ... and must evoke trust.

2. A certain Disposition

- a) A disposition towards serviceability.
- b) A profession is a vocation - a "calling".
- c) Has the income become more important for professionals than their serviceability?

PROFESSIONAL ORGANISATIONS AND RENTSEEKING

1. Professional organisations have their origins in medieval guilds - especially craft guilds.
2. Craft guilds were industrial monopolies to protect members against competition and to keep production artificially scarce to attain more rent (income).
3. Professional "property" has become highly priced property that can be priced too high - too high from a public welfare point of view - if the supply is kept too scarce and demand is improperly manipulated.

ALL SOCIETIES TURN ON THEIR CONCEPT OF PROPERTY AS A SOURCE OF INCOME

1. Medieval society was based on the feudal concept of contingent (voorwaardelike) property.
2. Industrial society was based on the concept of absolute (industrial) property - Industrial entrepreneurs who owned the (industrial) resources could buy labour cheaply and made large PROFITS.
3. The Professional concept of PROPERTY also rests on a scarce resource as was the case with land and industrial property.

PROFESSIONALISM IS A CONTINGENT FORM OF PROPERTY

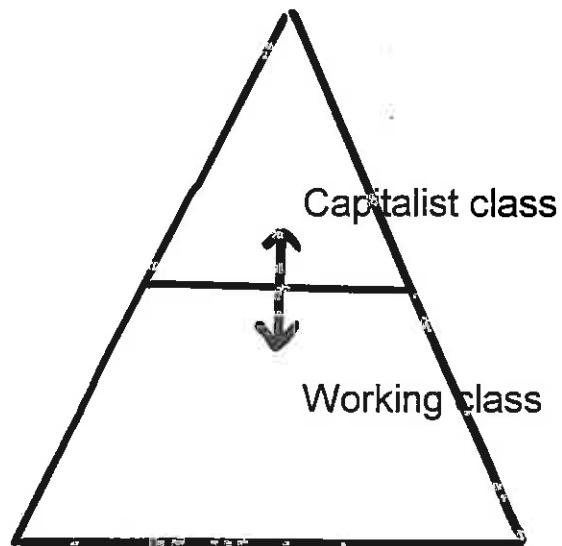
1. Professional "property" is a contingent (voorwaardelike) form of property: Contingent upon the performance of a service.
2. The principle of justification by service lies behind the professional right to "property" and the right to a flow of income.
3. Organised professions can artificially increase the scarcity of its expertise service by strategies of closure.
4. Manipulation of the supply and/or demand for expertise services is a method to increase the scarcity and the price of professional service.
5. The different Professions are in competition with Land and Capital to receive as large a part as possible of the available "Rent".

6. The Struggle of Rentseeking is kosher up to a certain point. It is not easy to draw the line between proper and improper rentseeking.
7. But organised professions cannot afford to be indifferent about principle of justification by service that lies behind "property" and flow of income,
8. Whose responsibility is it to keep a watchful eye on which property owners cross the line towards improper rentseeking?
 - a) In the first place the government and civil society;
 - b) Secondly, constant vigilance about the contingent nature of property is imperative for all the organised professions.
9. Power corrupts and absolute Power corrupts absolutely!

IDEOLOGICAL POLARISATION BETWEEN PUBLIC SECTOR AND PRIVATE SECTOR PROFESSIONALS SINCE 1970

1. During Golden Age (1950-1973) of high growth a close co-operation was forged between the Public Sector Professionals and the Private Sector Professionals.
2. Low growth and sharp rise in G/GNP (after 1973) gave rise to an ideological polarisation between the New Right and the New Left and between Private Sector Professionals and Public Sector Professionals.
3. Private Sector Professionals have embraced the Free market ideology and have become hostile against the Welfare State and Government involvement in economy.

INDUSTRIAL CAPITALISM



4. The Social ideal of the Public Sector Professionals remains the Welfare State. They remain in favour of a more egalitarian, caring and compassionate state and in favour of social justice.

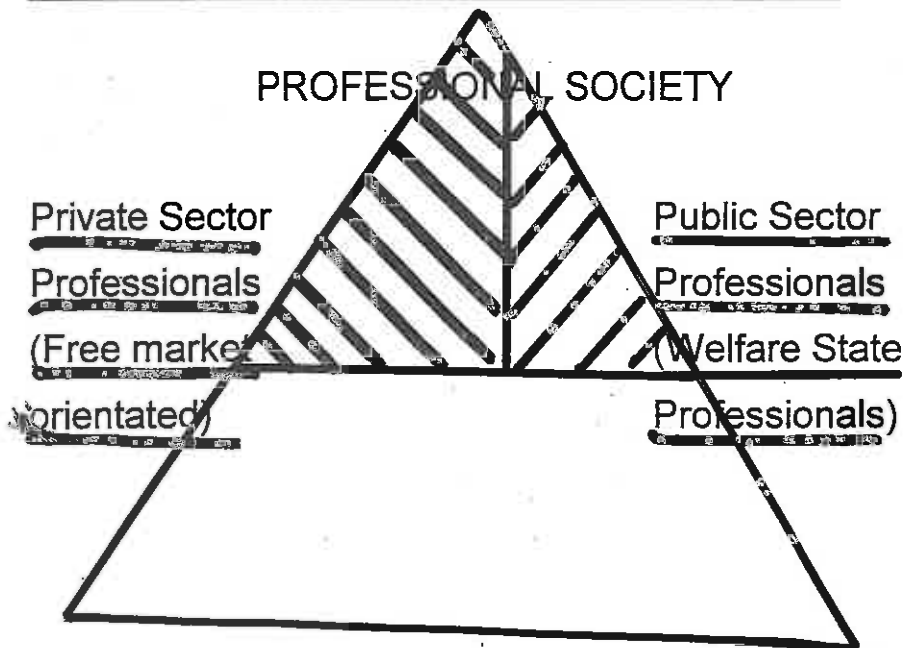
5. In British-American world division between Private Sector Professionals and Public Sector Professionals has developed into a furious "class struggle" or ideological war. Not to the same extent in Continental Europe.

6. During Reaganomics and Thatcherism the Private Sector Professionals were on the winning side.

7. In Continental Europe the Public Sector Pr. remain loyal to their social ideal of social justice.

8. Indices of social welfare and quality of life superior in Continental Europe vis-à-vis British/American world.

PROFESSIONAL SOCIETY



RELATIONSHIP BETWEEN PRIVATE S.P. AND PUBLIC S.P. IN SOUTH AFRICA 1975-1994

1. Since 1976 South Africa also experienced a sharp ideological swing towards the Free market ideology of the British/American world.
2. During Total Strategy against (alleged) Total Onslaught large parts of the private sector was drawn within Pretoria's network of patronage.
3. As a quid pro quid for co-opting Johannesburg (or the Corporate Sector) the Pretoria bureaucracy and the NP "bought" Johannesburg's Free market ideology.
4. The (mainly white) Public Sector Professionals were less enthusiastic about a more egalitarian, caring and compassionate state and about social justice.
5. Public Sector Professionals were not only "First World" and "white" orientated, but also stand relatively indifferent towards the "welfare" interest of mainly the Africans.

BOURGEOISE ESTABLISHMENT 1990-1994

1. In the early nineties (1990-94) a very close "compact of power" developed between the corporate sector, the bureaucracy, the NP, the mainstream media and the professional groups and a well-integrated Bourgeois Establishment was created to "counteract" the Liberation organisations in the negotiation process.
2. The main thrust of the Bourgeois Establishment at the Kempton Park negotiations was to get a deal that will keep the vested interests - including the very unequal distribution of property (land, mining, industrial, commercial, service and professional) - as intact as possible in a New South Africa
3. In the last six months it has become apparent that the NP regards its main task in the GNU to act as the protector of the large vested interests of its Bourgeois Establishment.
4. The strategy at Kempton Park was to negotiate a formula of "power sharing" that will enable the NP to share power without losing it. The attempt failed.
5. It seems as if the NP and the Bourgeois Establishment are not as enthusiastic about the "R" of the RDP as they ought to be.

PEOPLE-CENTRED SOCIETY OF LIBERTY vs
FREEMARKETEER PROPAGANDA

1. Individual freedom of Economic Liberalism is a negative concept of freedom - (freedom from legal restraint for privileged minority).
2. Individual freedom of PCS of L is a positive concept of freedom - freedom from socio-economic bondage.
3. Economic Liberalism in favour of the freedom of the chicken run - of chickens and foxes.
4. After 100 years of Racial Capitalism and Apartheid millions of South Africans still live in socio-economic "captivity".

THE STRUCTURAL CRISIS IN SOUTH AFRICA

1. RDP-document:
The South African economy is in a deep-seated structural crisis and as such requires "fundamental reconstruction".
2. Short list of economic imbalances and structural problems:
 - a) Income Inequalities:

Whites	100
Asians	34
Coloureds	19
Africans	8
 - b) Poverty:
 49% of householders live in absolute poverty (16 - 17,3 million people)
 - c) Social spending (1990):

Whites	100
Asians	85
Coloureds	62
Africans	27
 - d) Employment and Job Scarcity:
 Six million cannot get employment in formal sector. It is 40% of labour force.
 - e) Inequality in the distribution of wealth and economic power:
 - i) Top 5% own 88% of Wealth
 - ii) A very unequal distribution of "human property"

REASONS WHY WE SHOULD CONCENTRATE ON THE "R" OF THE RDP

1. Deep-seated structural crisis;
2. Danger of a "Second Revolution";
3. Reconstruction has become a buzz word -
meaning of "to reconstruct":
*to rebuild, to remake, to reorganise, to
reassemble, to recreate, to remould, to
transform, to reorientate;*
4. Bourgeois Establishment less enthusiastic about
the "R" of the RDP;
5. Apes and Design Professions involve in
construction and reconstruction;

FOUR DIFFERENT LEVELS OF RECONSTRUCTION

1. Reconstruction on the systemic level - ie on the
broad level of the political and economic power
relationships.
2. Reconstruction concerning the unequal distribu-
tion of wealth property and economic control.
3. Reconstruction of the public sector and govern-
ment's spending patterns.
4. Reconstruction concerning the reorientation of
"human capital" (including all professional
capacities) and to reset the mindset of the
privileged minority.

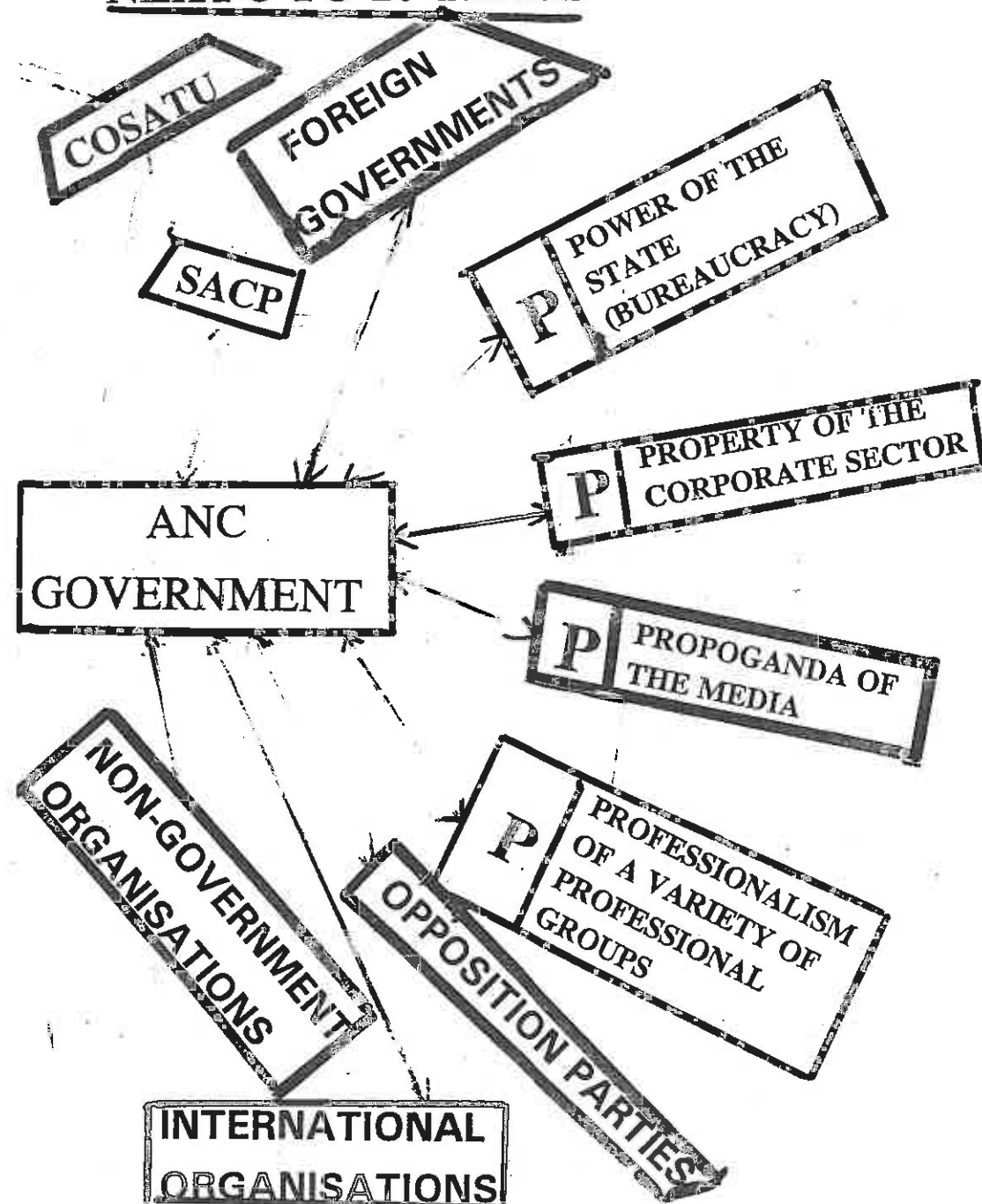
RECONSTRUCTION ON THE SYSTEMIC LEVEL

The importance of restructuring on the systemic level to transform the power relationships constructed during the century of white political domination and Racial Capitalism can hardly be overemphasized.

Although an important transformation of our political system took place in April, on-going changes in the relationships between the GNU and other centres of power - such as the bureaucracy, the corporate sector, the media and organised professional groups - must still take place.

The process of reconstructing our political and economic system - to create a stable and sustainable system of Democratic Capitalism - will only be completed when a broadly based pluralistic network of power groups has been institutionalised.

RESTRUCTURING OF THE POWER RELATIONSHIPS DURING THE NEXT 5 TO 10 YEARS



A MARKET ORIENTATED ECONOMIC SYSTEM

Pres. Mandela has committed himself at several occasions towards the maintenance of a market orientated economic system.

This, however, is a far cry from the system propagated by the Freemarketeers. It is important that people in the corporate sector and in the mainstream media should realise that a free market system and a people-centred society of liberty are completely irreconcilable.

A market-orientated economic system (ie an appropriate system of Democratic Capitalism) and a people-centred society of liberty can indeed be reconcilable. The people-centred society of liberty presupposed positive socio-economic freedom for the great majority, while a free market system is based on the negative (economic) freedom of the rich elite.

RECONSTRUCTION CONCERNING WEALTH AND PROPERTY

1. Affirmative Action is supposed to address the inequalities in the distribution of Wealth and Property.
2. Regstellende Optrede nodig om vir sowel die Strukturele Agterstelling en die Strukturele Bevoorregting te kompenseer.
3. Pres. Mandela told Conference of Editors that ownership of the media is concentrated in too few hands.
 - a) It has a negative impact on the freedom of expression.
 - b) It still reflects the patterns of racial exclusion characteristics of the Apartheid era.

RECONSTRUCTION CONCERNING HUMAN PROPERTY

1. A fundamental reorientation of "human property" is needed to -
 - a) enhance the serviceability of this "property" towards society at large;
 - b) enhance the creation of a people-centred society of liberty.

2. "Professional property" is a contingent (voorwaardelike) form of property - contingent upon (voorwaardelik tot) the performance of a service.

3. If the professionals should fail to grasp the new content of "serviceability", the principle of justification by service will imply that they will forfeit a part of their right to property and the right to a flow of income!

4. The responsibility to reorientate themselves towards a new kind of serviceability, rest on the shoulders of every individual professional and on the great variety of professional organisations.

5. An orientation towards the "third world" and the "black world" does not necessarily mean lower standards. It definitely means different standards and less luxurious standards.

6. Organised professionals should use their professional bargaining power with restraint in the "struggle for rentseeking" because the surplus available - looking at it from the perspective of 40 million people - is not as large as was accepted in the old South Africa.

PRES. MANDELA ON

THE UNIVERSITY OF STELLENBOSCH

1. "The University of Stellenbosch belongs to the whole of South Africa, and it is your duty - I would say: challenge and privilege - to bring your actions in line with this reality. The crucial challenge that you now face, is to turn away from racial privileges and sectarian use of power and to serve all of South Africa."
2. On doctors:
"Of course we must still train doctors with the technical capacity to transplant hearts, but we should give just as many - and even more - attention to preventive medicines and the health of the community".
3. To paraphrase Pres. Mandela: 'The existing professionals were not educated for the New South Africa. An ideal college for retraining does not exist. The Professionals will have to do their own retraining.
4. This kind of personal "reconstruction" - after being a professional for ten, twenty or thirty years - will be much more difficult than is generally acknowledged. What is needed is a profound reorientation towards a new concept of service-ability.