

The E-Tolls, Strange Bedfellows and Ideological Confusions: A Response to Cde Jeremy Cronin

Cde Jeremy Cronin (JC) presents an interesting view on e-tolls. Beginning in his usual style by constructing extremes and then locating protagonists in those extreme boxes of his, he proceeds to steer a "level-headed middle road" that sounds "reasonable" and "respectable". This is vintage Cronin! However his middle road, when APPROPRIATELY analysed, is flawed, and a manifestation of serious ideological confusion.

To begin with, he differs with COSATU's approach to the "user-pay principle" on the grounds that, even in socialist Cuba, people pay for household electricity. He then attempts to draw a link between household electricity and roads: "Roads, like household electricity, are (or should be) a public good". This is simply wrong. A public good is non-rival and non-exclusive, i.e. its use by one person does not exclude others from using it. Household electricity is therefore not a public good for the obvious reason that it belongs to a specific household and excludes other households. Electricity is a necessity, an essential good, which is in our case largely produced by the public entity Eskom. But this does not mean electricity is a public good. Either Cde JC confuses public sector-produced goods with public goods, or he confuses goods that are necessities to be public goods. Interestingly the ordinary working class fully knows the difference.

What then, is COSATU's view on the "user-pay principle"? COSATU's view is that the user pay principle should not be used on public goods and essential goods that are produced by the public sector. This does not at all mean that "users must not pay", that would be ridiculous. What it means is that the manner in which pricing should occur should be redistributive, being sensitive to the deep inequalities that are embedded in our society. In other words, the pricing of such items should shift resources from the upper classes to the lower classes. That is why COSATU would continue to oppose the application of cost-recovery pricing on the working class, because such a pricing does not respond to the deep-seated inequalities that prevail in our society even if IT IS APPROPRIATELY APPLIED. Indeed the user-pay-principle, with its cousin "cost-recovery", IS based on "free market principles".

Advantages of e-tolls and de-commodification?

Cde JC lists five advantages of tolls, if they are WISELY and APPROPRIATELY applied. We deal with each of these so-called advantages and show that they can, IN FACT, be achieved without tolls.

Cde JC claims that "First, tolling can enable road maintenance and construction off-budget - relieving the budget for other priorities". However, the budget can be relieved primarily through progressive taxation, not through some de-centralised, private and market-based instrument such as e-tolling. Tolling essentially individualises the robbery by the ruling capitalist class of what the lower classes had already wrestled from them. It therefore opens a new avenue for the ruling capitalist class to extort more value from the lower classes. Progressive taxation is the most powerful and precise means to wrestle social surplus from the upper classes and diverting it to the lower classes. Why is Comrade JC not advocating for progressive taxation?

Cde JC claims: "Secondly, a tolling project enables a public entity

like SANRAL to borrow money on the markets up-front (using the collateral of its national road network).

This enables SANRAL to run a major, multi-year construction project more effectively and with greater confidence than with annual budget allocations". But all this can be easily achieved through progressive taxation, which would systematically and directly link the rate of cash-flow into state coffers with the rate of growth of profits, particularly the rate of growth of profits of the ruling capitalist class. Viewed in this way, e-tolls become the most inefficient and regressive way of raising surplus to finance public infrastructure. It is a blunt instrument that raises the costs of production across the board, regardless of the value that is being carried on the road, the wage rate that is earned by a car owner and the profit-rate of the enterprise that uses the road.

Cde JC claims that "Thirdly, tolling can - if WISELY and APPROPRIATELY used - introduce a degree of equity into road-use. A single-axle of a large road freight truck causes 40,000 times more damage to a road surface than the average light vehicle!" In Cde Jeremy's view, trucks must pay more because they are heavy. This view is crude and represents a degraded un-Marxist view of "value-as-weight", the heavier the vehicle the more it should pay. Nothing can be more wrong. To demonstrate the problem, suppose a single-axle truck carrying bricks for RDP houses uses the highway. According to Cde JC, this truck must pay more than a small van that carries 10 000 Ipad's. There is nothing equitable in this. There is nothing Marxist in this view, but crude mechanical thinking that opens communists to unnecessary ridicule; it is vulgar economics. Interestingly, the ordinary workers know that value is determined by the labour content of commodities and not their weight.

Cde JC further claims: "Fourthly, tolling (and particularly electronic tolling) can also be used to achieve better developmental and sustainability outcomes as part of what is referred to as travel demand management (TDM)". But travel demand and road use is primarily due to the apartheid spatial development pattern, combined with neo-liberal disinvestment in public transport. Without rooting so-called "travel demand" to this historical realities, Cde JC effectively ventures into "consultant-speak", which is elevated above the experiences that the lower classes confront in relation to public transport and spatial development. He talks about "time-of-day concessions on trucks, to encourage trucks to move at off-peak periods, etc." and he conveniently forgets that this would directly disrupt the production process by delaying deliveries. In short the economy would grind to a low gear, if not to a stop-start mode, or raising the costs of inventory storage to smooth production. Therefore, from this perspective, e-tolls increase inefficiency.

Lastly, Cde JC says "Fifthly, IF THERE ARE EFFECTIVE PUBLIC TRANSPORT NETWORKS IN PLACE, e-tolling infrastructure can be used for "congestion charging"". But are the effective public transport networks in place?

In short, whether APPROPRIATELY used or WISELY applied, e-tolls are a bad idea, period. From a bourgeois standpoint, it is obvious that e-tolls do not correct "market failure" but perfect distortions. They are inequitable even from within the bourgeoisie as a class. That is why the DA opposes e-tolls, a point that Cde JC incorrectly, superficially and simply reduces to Jack Bloom's "lifestyle". On the other hand the working class opposes e-tolls because they are blunt

and thoroughly regressive.

The DA, COSATU and JC: Who is Ideological Confused?

Cde JC claims that COSATU and the DA are strange bedfellows and that COSATU is ideologically confused.

The confusion, according to Cde JC is obvious because the DA and COSATU agree on e-tolls. Hence he takes it upon himself to provide ideological clarity. He saw in the standpoints of the DA and COSATU a "flirting affair" and "budding romance" that should not have taken place. Consequently, as usual, he comes forward with "a number of conceptual and factual clarifications".

We have shown above that if the working class follows what cde JC says, things would be as clear as mud. Ideologically, Cde JC himself fails to see that the working class and the bourgeoisie can agree, but for different reasons. Capitalism is a UNITY OF OPPOSITES. For example, the working class demand democracy and so do sections of the bourgeoisie. There is no ideological confusion in that. Similarly, the demand to scrap the bad idea of e-tolls is also in UNISON with the demand by sections of the bourgeoisie. However, it is simply wrong for a Marxist to forget the contradictions that are embedded in many such unities. In this sense cde JC's piece is a one-sided spectacle, which conveniently emphasises the UNITY of opposites and not their CONTRADICTION. Interestingly, the ordinary workers are not as confused as cde JC thinks.

Let us explain why Cde JC is wrong about the DA's Bloom (and white opposition to e-tolls). Road construction and maintenance, like all large-scale infrastructures that require massive amounts of capital, have very low rates of profit and turnover. The capitalist state would ordinarily finance such infrastructure through the public purse, in which the capitalist class as a whole contributes in proportion to the profits they appropriate. By thus externalising the costs of public infrastructure, the average rate of profit in the economy becomes higher. Smaller capitalists are subsidised by larger ones. But monopoly capitalists are few in number and smaller ones are many. This is the crux of the DA opposition to e-tolls, because the many smaller capitalists and upper middle class are their constituency. It is a simple case of numbers within the capitalist camp, it is not a case of "lifestyle".

Now e-tolls will internalise the costs of transport into the costs of production for smaller capitalists, because the latter intensively use roads. This will in turn reduce their rate of profit and therefore redistribute profits from smaller capitalists towards monopoly capitalists. In short the lower strata of the mass within the capitalist class will be hit worse by the e-tolls, compared to monopolies. This is very obvious. For example banks do not intensively use roads or highways. The mines have by and large outsourced transport to smaller capitalists, and so they are not affected, and so on.

To think that lifestyle is the main reason for the DA to oppose e-tolls is to be irrational and ideologically confused. The white population hardly uses highways as a "lifestyle" because they stay in suburbs; they use "street" roads because they stay close to their workplaces. To think that e-tolls do not prop up the profits of the ruling section of the capitalist class, that they can decommodify roads, is to be ideologically confused.

On the other hand, the working class opposes e-tolls because they are a backward way of financing infrastructure, even if it uses modern up-to-date technology. Firstly, the vast majority of the lower Black middle class who own cars and stay far from their workplaces will be negatively affected (teachers, nurses, doctors, and other professionals). Secondly, many of these lower middle classes provide jobs to a number of people as domestic workers; they will then be forced to cut back domestic workers. Thirdly, e-tolls are blunt and regressive, as we have explained above. In short, e-tolls are a bad idea and indeed "dismantling e-toll gantries" is a good idea.

Lastly, Comrade Jeremy Cronin in his article makes the following assertion as a benchmark for our country's e-tolling system ".....e-tolling infrastructure can be used for "congestion charging". This is being used very successfully in many cities, London being an excellent example." This is said at a time when David Cameron, Prime Minister of Britain, made an announcement that public roads stand to be privatised in Britain. What an excellent example,

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