

Government of South Africa

TOWARDS TEN YEARS OF FREEDOM

Progress in the First Decade - Challenges of the Second Decade

Reconstruction & Development

Since 1994, in line with the Reconstruction and Development Programme (RDP), government has set out to dismantle apartheid social relations and create a democratic society based on equity, non-racialism and non-sexism. New policies and programmes have been put in place to dramatically improve the quality of life of all the people.

The RDP, the core of all post-1994 policies, has as its objectives:

- Meeting basic needs
- Building the economy
- Democratising the state and society
- Developing human resources, and
- Nation building

What the Democratic State inherited

Blacks were denied the franchise, society was divided along racial lines and the social exclusion and neglect of the majority was a matter of state policy.

Economically the country was isolated and economy was in crisis. Growth declined to below 1% per annum in the decade before 1994 and by the early 1990's had come to a standstill. Public sector debt was ballooning out of control.

The police and justice system violated most human and civil rights and was mainly used to defend apartheid. The Defence Force was fighting a low-intensity war against the liberation movement. Until after the 1994 elections, parts of the country lived under a state of war, and assassinations and bombings of political opponents were rife.

Governance was largely defined by a national security doctrine with little respect for the rule of law. The state became more isolated, more corrupt and more dependent on extra-judicial measures to sustain itself. By the late 1980's, the country had become ungovernable, the social fabric torn apart by apartheid and social conflict.

Ten Year Review

Government has been assessing how far it has achieved its objectives in the past decade, and beginning to assess the challenges of the next decade.

This review is focused on government's performance. It is expected that organisations in sport, arts and culture, universities, professionals and the intelligentsia, trade unions, and the private sector will make their own assessments. These together with government's review will help the nation evaluate itself in our First Decade of Freedom.

The review is based on research by people inside and outside government. Departments were also asked to assess their performance. A detailed report is available on Government on Line www.gov.za.

Measuring change

So great are the differences between the apartheid state and the democratic state that direct comparisons are often impossible. The official statistics of the past also underestimated the impact of apartheid on the majority of South Africans, amongst other things by excluding the so-called "independent" Bantustans.

| BROADENING ACCESS TO SOCIAL SERVICES | | | |
|---|------------------------|-------------|-------------|
| | <i>From the Census</i> | 1996 | 2001 |
| Households with access to clean water | | 80.0% | 85% |
| Households using electricity for lighting | | 57,6% | 69,7% |
| People who have completed Grade 12 schooling | | 16,3% | 20,4% |
| Households in formal housing | | 57,5% | 63,8% |
| Households with chemical or flush toilets | | 50,5% | 51,9% |

| OUTPUT OF GOVERNMENT SOCIAL PROGRAMMES | | | | |
|---|---|----------------|------------------|-------------------|
| | | 1994-98 | 1999-2002 | <i>Since 1994</i> |
| <i>From department reports</i> | | | | |
| Water | People gaining access via community programme | 3,0m | 5,4m | 8,4m |
| Electricity | Grid connections | 2,3m | 1,5m | 3,8m |
| Housing | Subsidised houses built or under construction | 0,74m | 0.72m | 1,46m |
| Land Redistribution | Hectares distributed | 0,44m | 1,36m | 1,8m |
| | Households in transfers | 30,061 | 107,417 | 137,478 |
| Land Restitution | Claims lodged | 68,878 | | 68,878 |
| | Claims settled | 3,964 | 32,525 | 36,489 |
| | Hectares restored | 297,396 | 273,836 | 571,232 |

Reviewing implementation of Government's Programme of Action

Government's Programme of Action to achieve the RDP aims has developed around five themes or clusters of government.

GOVERNANCE

The state has become a people-centred state.

New constitution and laws

- The constitution and over 780 pieces of legislation have created a framework for reshaping South Africa.

Transforming the public service

- Bantustan and central government civil services have been integrated into a single public service. Representivity targets are nearly met - Africans are 72% of the public service but there should be more women in senior positions and more people with disabilities.
- The Public Finance Management Act and a medium term budget cycle have improved accountability, budgeting and financial management.
- Access to services is being improved by Multi Purpose Community Centres (43 so far, one per District by the end of 2004 and expanding to each municipality in the next decade); the introduction Community Development Workers and the e-Government Batho Pele (People First) Gateway.

Better service delivery

- Policy and implementation are more integrated thanks to government's cluster approach, provincial coordination, Integrated Development Plans in local government and the recently introduced National Planning Framework. There are still serious capacity problems affecting especially provincial and local service delivery and in central government middle management.

Fighting Corruption

- A Code of Conduct for the Public Service is now part of the regulations for every public servant. The 1999 National Anti-Corruption Summit created a powerful platform for the National Campaign Against Corruption and helped establish whistle-blowing mechanisms; special corruption courts; and the National Anti-Corruption Forum. New laws to fight corruption include the Promotion of Access to Information Act and the recent Prevention of Corruption Bill.

- The National Directorate of Public Prosecutions and SAPS have acted against corrupt officials and white-collar crime. About 80% of corruption cases in government reported in the media are discovered by government.
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SOCIAL

Programmes to alleviate poverty have brought improvement in the lives of millions.

Boosting the income of the poor

Social grants, formerly allocated on a racial basis, have been equalised and extended to all who are in need and eligible. Beneficiaries have increased from 2.6 million in 1994 to 5.1 million in 2003. The poorest 20% of households receive the largest amount from grants. But the full impact will only come when all who are eligible are registered.

Broadening access to social services

Programmes to broaden access to services have improved the lives of millions.

- *Electricity, water and sanitation* – As the table shows, many more people have access to these basic services.
- *Education* - Adult literacy is up from 83% in 1996 to 89% in 2001, and for 15-24 year olds from 83% to 96%. The matric pass rate rose from 54% in 1996 to 69% in 2002.
- *Health*
 - Primary health care has expanded with free health care for women and children under six. Upgrading and new clinic building has brought 701 additional clinics.
 - The integrated nutrition programme which reached 89% of the targeted learners in 1994 now reaches 94% or 4.58 million children.
 - Government's comprehensive response to HIV and AIDS has expanded rapidly. Expenditure increased ten-fold from R30 million in 1994 to R342 million in 2001/02 and is set to increase ten-fold again to R3,6 billion in 2005/06. HIV infection, after rapidly increasing in the 1990s, stabilised after 1999 – 22.4% in 1999, 24.5% in 2000, 24.8% in 2001 26,5 in 2002. For pregnant women under 20 it has decreased consistently for the last few years.
 - The TB control programme has increased treatment rates from 60% to 65% between 1996 and 1999, but treatment interruptions and transfers have kept cure rates below the targeted 85%.

Boosting ownership of assets and access to opportunities

- *Housing* – Over 1.9 million subsidies have been approved for new houses and 480 000 houses built in the apartheid era transferred to occupants under the discount benefit scheme.

- *Land reform* – (see table)
 - *Communication and Culture* – Access to means of communication has grown rapidly – by 2001, 32% of households had cell phones, 42% access to land lines, 73% had radios in the home and 54% television. Plans are under way to fully implement the constitutional recognition of all 11 languages of South Africa as official languages.
 - *Addressing social exclusion* – Discriminatory laws have been repealed. New measures to prevent social exclusion include tenure and land reform; and steps towards gender equality including recognition of customary marriages, employment equity, maternity benefits, recognition of surnames, attending to sexual harassment and affirmative action. Specially targeted programmes protect the elderly, people with disabilities and children, as well as vulnerable workers like domestic and farm workers.
 - *Preserving the environment* - Government has focused on fairer distribution of rights of access to natural resources and benefits of conservation areas.
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ECONOMY

Government's economic policies have turned around an economy that was in crisis. Almost continuous growth since 1994 has created jobs, but not enough to keep up with the increased number of people looking for employment.

Performance of the economy

- *Stability* – Government policies have freed resources for social expenditure by reducing the interest we have to pay on debt. The budget deficit fell from 9.5% in 1993 to 1% in 2002/3, and public sector debt from 60% to 50%
- *Investment* - Investment has been low (16-17% of GDP) compared with successful developing countries, but has begun to improve in the last three years.
- *Growth* - Negative per capita growth in the decade before 1994 has changed to average growth of 2.8% a year since then. Real growth per person in South Africa has increased just over 1% per year since 1994.
- *Employment* - Between 1995 and 2002 the number of people employed grew by 1,6 million from 9,6 million to 11,2 million. But the unemployed also grew by 2,4 million because many more people were seeking work. While many unskilled workers are unemployed, there are shortages of skilled workers in many sectors.
- *Trade reform and industrial restructuring* - Government's industrial policy and efforts to promote an international trade environment that favours development have improved the balance of trade and brought a shift to higher valued-added exports.
- *Labour legislation* - Great progress in labour relations laws has given employers and employees more certainty and security in their relationship. This is reflected in a huge fall in person-strike-days per year.

State enterprise restructuring

- Restructuring has focused mainly on Telecommunications, Energy, Defence and Transport. The aim has been to broaden access to services; reduce costs and raise revenue to reduce public debt, at the same time minimising the impact on employment and promoting black economic empowerment. In the process R24 billion has been raised to reduce public debt and share-ownership has been widened. Lowering costs and improving service quality will require further improvement in the regulatory environment.

Expanding economic opportunities

- *Small business development* - Initiatives such as the Small Business Council, Khula Enterprise Finance Corporation and Ntsika Enterprise Promotion Agency, have made some impact but not enough.
 - *Skills development* - Government has directed resources towards education and skills training and set up Sector Education and Training Authorities for each sector of the economy, financed by a skills levy on the pay roll. Although the SETA's have been slow in meeting their objectives and employers slow to advantage of them performance is improving.
 - *Empowerment* - Empowerment in the workplace is continuing, but slowly. Black people in top management grew from 12% to 13% between 2000 and 2001; and in senior management from 15% to 16%. Black ownership of public companies was 9.4% in 2002 compared with 3.9% in 1997 (and virtually non-existent before 1994). The figures for women in the workplace are not much different.
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JUSTICE CRIME PREVENTION AND SECURITY

Transformation and integration of a crime prevention system that once focused on shoring up apartheid has helped all but end political violence, deal with terrorism and stabilise crime. But better service delivery needs more capacity building, citizen involvement and eradicating corruption. Moral regeneration and nation-building are also essential to effective crime prevention.

National Crime Prevention Strategy

The National Crime Prevention Strategy has several elements

- The **National Crime Combating Strategy** ("Operation Crackdown") is beginning to make an impact. Serious crime levels in South Africa are continuing to come down or stabilise.
 - Except for robbery and malicious damage to property, most of the 20 categories of serious crime have recently either stabilised or are decreasing compared to the figures since 1994.
 - Since 1994 murder has decreased by 30,7%.

- Though the trend of robberies has continued to increase, almost 50% of robberies now relate to cell-phone theft or misplacement, with high reporting rates for insurance purposes.
 - High profile robberies (vehicle hijacking, hijacking of trucks, cash-in-transit robbery, and bank robbery) have down significantly since they were first recorded in 1996 (*see below*)
- The **Integrated Justice System** has brought shorter cases; better quality dockets; and higher conviction rates (up from 78% in 1999 to 81% in 2002). Introduction of Saturday and Additional Courts has helped.
 - **Attacking the causes of crime** is part of the national strategy requiring further implementation, including the social crime prevention initiatives that are part of Integrated Rural Development, Urban Renewal and Moral Regeneration.
 - **Community Policing** has made policing more effective, through Community Police Forums and the partnership with Business Against Crime that has reduced street crime by 80% in targeted city centres
 - **Prison** over-crowding is being relieved by new prisons; alternative sentencing; correctional supervision; an awaiting trial prisoner project, parole. sand an improved rehabilitation programme. Escapes have been reduced from 1 244 in 1996 to 325 in 2002.

High priority crimes

- *Sexual Assault Crimes* - The incidence of rape increased 10% from 1994, then stabilised for some years and declined from 1999 back to 1994 levels.
- *Organised Crime and Corruption* – Action against criminal syndicates helped bring down vehicle hijacking by 33,7% and bank-related crimes by 52,2% since 1996 - and white-collar crime by 24% since 1994. Over 200 syndicates have been neutralized out of 300 identified and investigated.
- *Border Control* - The SANDF has assisted the SAPS in controlling borders, resulting in deportation of thousands of illegal immigrants and confiscation of stolen vehicles and illegal fire-arms. New controls and upgrading of infrastructure at ports of entry will combat cross-border crime and other threats to national security.
- *Taxi Violence* - Violence in the taxi industry has been curbed by more effective regulation and prosecution of perpetrators, though sporadic attacks and extortion of funds from members of taxi associations continue,.
- *Illegal Firearms* - Over 80,000 firearms have been destroyed. New measures include regulating ownership of legal firearms and reducing the number of illegal firearms.
- *Terrorism* - Urban terrorism in the Western Cape was ended by co-ordinated operations and conviction of perpetrators – but socio-economic factors that sustain gangsterism and violence need attention. Right-wing terrorist plans were uncovered in 2002 leading to confiscation of weapons, prevention of assassination plans and more than 20 prosecutions. The

government is implementing UN resolutions relating to international terrorism.

INTERNATIONAL RELATIONS

South Africa's post 1994 success in defining its place in the world is remarkable given our size. This required thoroughly revising the mission of national security and the principles underpinning our international relations as well as transforming our institutions to align them with the new democracy.

Diplomatic normalisation

- SA has normalised its relations with the world and is actively promoting its won interests and those of the South in all significant regional, continental and multilateral institutions.
- The country has hosted many international conferences and events since 1994. These include: the Non-Aligned Movement Summit (1998), Commonwealth Heads of Government Meeting (1999), UN AIDS Conference (2000), UN World Conference Against Racism (2001), World Summit on Sustainable Development (2002), and the African Union Summit (2002).

Marketing and branding South Africa

- The government has since the late 1990s been actively imaging, branding and marketing South Africa, both directly and by supporting initiatives like 'Proudly South African'; hosting hallmark events; and creating the International Investment Council, International Marketing Council and International Task Force on Information Society and Development.
- Tourism has surged – from 5,7 million international tourist arrivals in South Africa in 1998 to 6,4 million in 2002.

International relations for growth and development

- *Trade* – Trading networks and markets have been expanded and diversified, including through bilateral and multilateral negotiations and expanding relations with South America, Asia and Africa.
- *Regional integration in Southern Africa* – Democratic SA has promoted regional integration in the context of SADC and NEPAD. The restructuring of SADC will provide member states with a comprehensive development agenda.
- *Continental Affairs* - SA played an active role in reconstituting the OAU into the AU as a more effective continental body and developing NEPAD as the AU's socio-economic programme. The African Peer Review Mechanism has been established as a voluntary mechanism to ensure that policies and

practices of participating states conform to the *Declaration on Democracy, Political, Economic and Corporate Governance*.

- *Global Affairs* - Since 2001 South Africa has worked to keep Africa and the South on the G8 agenda and engaged with the International Financial Institutions to promote a global financial system more favourable to developing countries.
- *Science and technology (S&T)* - Some 30 bilateral agreements have been signed for science and technology in the past nine years. There are several major S&T initiatives in South Africa with strong international participation, including the HIV/AIDS Vaccine Initiative.

Promoting human rights, peace, security and stability

- South Africa works with other African states and multilateral organisations like the UN, OAU/AU and SADC to promote international respect for human rights, democracy, and good governance. We have been part of regional and continental initiatives to assist the Zimbabwean people resolve their problems and have assisted with peacekeeping in Ethiopia/Eritrea, DRC, and Burundi.

Strengthening multilateralism and co-operation

- In order to advance the interests of developing countries, South Africa has worked to promote a rules-bound international political and economic order; to transform North-South relations through dialogue while consolidating South-South collaboration by participation in groupings like the NAM, UNCTAD, SADC and AU.

CHALLENGES OF THE NEXT DECADE

The next decade's challenges arise from lessons of the First Decade and new challenges created by the first stage of transformation.

Influence of the state

The record of implementation shows that Government's successes have often, though not always, been where it has had significant control and less so where its influence has been indirect.

- There has been considerable progress in building a new constitutional order, three spheres of government and more integrated administration – but many areas of service delivery require much improved performance by the public service .

- There has been great extension and deracialisation of social services, with striking impact on women's rights. But many entitled to grants are still unregistered or poorly serviced.
- Good progress in economic areas under government control – fiscal and monetary policy, trade and industrial policy – has not been matched where new agencies or partnerships are involved – small business, Human Resource Development, restructuring of State Owned Enterprises, equity and empowerment. Government has had even less success in areas depending significantly on private sector and civil society – investment, employment creation.
- National security has been enhanced, the rule of law established and institutions transformed. But due to aspects of the social transition, insufficient civil society involvement, and new forms of organized crime, the gains in crime prevention could have been better.
- Internationally, government has made progress beyond its limited resources as the country has reintegrated in the international arena.

Pushing back the frontiers of poverty

What difference are government interventions making in the lives of the poor?

People's means of living depend on income from wages and other economic activity; together with the "social wage" (the impact of social spending including social grants and access to social services – education; health care; water, sanitation and electricity and so on).

Since 1993 government's social spending has shifted to the poor. Between 1993 and 1997 social spending increased for the poorest 60% of households – especially the poorest 20% - and decreased for the 40% who are better off. It increased for Africans and decreased for others. It increased in rural areas three times more than metropolitan areas and double other urban areas.

To see the impact of social spending, look first at distribution of income alone and then add the value of benefits from social spending.

The **Gini coefficient** measures income inequality –1.0 for extreme inequality and 0.0 for complete equality. In 1993 social spending made almost no difference to the Gini coefficient (it was 0.68). In 2000, it was 0.57 for income alone, but becomes 0.35 when including social spending.

So social services are improving the quality of life of especially the poor and reducing inequality.

The social transition

Four social trends in the first decade shape the challenges ahead.

- **Households** – From 1996 to 2001 the South African population grew 11% from 40,4 million to 44,8 million. But the number of households grew by 30% from 9,7 million to 11,8 million, as households became smaller. “Unbundling” of households, together with freedom and improvement in the quality of life are resulting in fewer extended families.
- **Economically active population** – The population grew about 2% a year from 1995 to 2002 but the economically active population grew about 4% a year - from 11,5 million to 15,4 million. The number of jobs grew 12% (after accounting for jobs lost) but the economically active population grew 35%. The new job seekers are not only young adults but also older people who in the old order did not consider themselves part of the labour market, many of them African women from rural areas.
- **Economy** – While all main sectors grew between 1995 and 2002, there was a shift from public services, construction and mining to financial and business service sectors (where employment doubled). This is consolidating “two economies” in one country. One is advanced and skilled, becoming more globally competitive. The second is mainly informal, marginalised and unskilled. Despite impressive gains in the first economy, the benefits have yet to reach the second economy, which could fall even further behind without decisive government intervention.
- **Migration** – There has been a shift from rural to big urban areas. 20% of people in the main urban areas are new migrants. This adds pressure on urban service delivery and economic opportunities and causes loss of people and opportunities in rural areas. It affects social relations and links to authority structures, reducing potential for people to interact on a collective basis.

The impact of these trends are likely to be compounded depending on what happens with HIV/AIDS and other demographic factors.

These social trends, added to the apartheid backlog, help explain the scale of the past decade’s challenges and some of the limitations in progress, for example in unemployment, poverty alleviation, and combating crime. Nevertheless, there has been significant progress in dealing with the problems.

The global setting

As we enter the Second Decade of Freedom, the global environment is uncertain, with increasing tension, unilateralism and unresolved international trade issues. But despite there are also new opportunities for developing countries to assert their interests.

Whilst many current developments contain seeds for Africa's marginalisation, there are opportunities for the continent to mobilise within itself and across the globe for a more humane approach to its plight and that of the other poor regions. Amongst governments and citizens of developed countries there is potential to focus attention on the common objectives of humanity contained in the UN Millennium Declaration. South Africa's history, its location, the size of its economy in the continent and its current endeavours and outlook equip it to play a critical role in this regard.

Challenges and opportunities

Together, the experience of a decade of reconstruction and development, the social trends and the global context point to some major challenges as we enter the Second Decade of Freedom.

If we are to make continued progress towards the fundamental objective of our country and of state policy - a united, non-racial, non-sexist and democratic society - then we need a major intervention to reinforce the consolidation of democracy with measures aimed at integrating all of society into a growing economy from which they can benefit. This requires

- A framework defining a shared destiny, as a basis for social partnership;
- Better performance by the state;
- Addressing consequences of the social transition
- Improving the Southern African environment and implementing NEPAD.