



The President's 20-Year Review

1. Introduction

The Office of the President recently released a 20-year review of South Africa's development. Despite much publicity around its launch, it has since been eclipsed in the national discourse by other topics, including the uproar over the Public Protector's Nkandla report. Where the review has received coverage it has become an electioneering hot potato, rather than leading to a sober discussion about the trajectory of the nation. This was probably inevitable given the proximity of the elections and the way that they have been cast almost as a referendum on the last 20 years of ANC governance.

The report argues that South Africa is far better off than it was at the close of apartheid. This point appears repeatedly, with a wide array of statistics and figures: poverty has decreased; the availability of services has improved; government administration is more rational.

The review acknowledges some of the shortcomings of governance since 1994, but it tends to gloss over these weaknesses in governance and service delivery and retains an 'upbeat' perspective.

In addressing this report it is necessary to assess the numbers put forward, but it is also important to avoid falling into the trap of assessing each number in a mechanistic fashion. Writing in *Business Day*, Zama Ndlovu points out that "there are facts, and then there are ways in which the various social actors use these facts to their own advantage."¹

With this in mind, comparing the current dispensation to the apartheid regime is legitimate in a historic sense, but it is not the only way of deciding whether the government is doing well enough. Indeed, it would have to be doing a terrible job to do worse than the apartheid

government – a police state that systematically brutalised and exploited the vast majority of the people in South Africa. Doing better than terrible is not a good enough standard. While it is necessary to grasp this history in order to understand the origins of the present difficulties, it is also important to critically address the failures of government over the 20 years following apartheid. There is a very good case to be made that government has underperformed in addressing the legacy of apartheid.

Bearing this in mind, it is worth turning to the facts presented in the report and assessing some of them, both at face value and in the context of this discussion. The report covers a wide array of fields, including economic transformation, social transformation, safety and security, infrastructure development and foreign policy. This briefing paper will assess the report's findings on economic issues, service delivery and health care.

2. Economic Growth, Unemployment, Poverty and Inequality

The 20 year review notes the various challenges the government inherited from apartheid, and goes on to detail how government has dealt with economic transformation while also reintegrating the South African economy into the world. Its mandate has been to deal with severely entrenched low economic growth, poverty, unemployment and inequality.

On the economic front, the review mentions improvements made in growing the economy and enacting policy programmes that established stable growth and fiscal restraint, as compared to pre-1994. The government prides itself on the strides it has made in reducing poverty and creating employment, while also recognising some of its shortcomings. The burning question

here is not so much the validity of its claims, but the assertion that little more could have been done to achieve better results and further improve the lives of South African citizens.

The government prides itself on having achieved macroeconomic stability and on having established, or transformed, institutions such as the South African Revenue Service, the South African Reserve Bank, the Competition Commission and the National Economic Development and Labour Council. These developments have seen SA's economic growth improve from an average of 1.2% annually between 1980 and 1994, to 3.2% between 1994 and 2012². This illustrates an overall improvement in the country's economy and an effectiveness in government efforts to accelerate growth and economic stability. Indeed, government should be lauded for placing the country on a relatively stable fiscal footing.

However, although this growth in the economy is favourable compared to the pre-democratic period, it is still lagging behind other emerging markets and the current growth rate is widely agreed to be inadequate for creating the necessary new jobs. In effect, South Africa is underperforming compared to its peers: "South Africa's growth has averaged 3% compared to 5% for emerging markets and 4% for commodity exporters"³. This raises the obvious question of whether South Africa reached its full potential in the last 20 years, or whether more could have been done to improve the lives of South Africa's people. Modest growth, coupled with the legacy of apartheid, means that large numbers of people still live in dire circumstances characterised by widespread poverty and unemployment. Any economic gains made in the last 20 years must be understood in the light of these realities.

In this year's state of the nation address, President Zuma stated that "jobs are now being created again. There are now 15 million people with jobs in the country, the highest ever in our history, and over 650 000 jobs were created last year, according to Stats SA⁴." The President's claims strike an upbeat tone, but they disregard the fact that, while employment has certainly increased in the past 19 years in absolute terms, this does not mean that unemployment has decreased significantly. According to Statistics SA, under the 'narrow' definition (people seeking a job who do not have work) unemployment currently stands at 24.9%⁵. The expanded definition of unemployment (which includes

people who are no longer looking for work) gives a clearer idea of the extent of unemployment at around 37%⁶. The youth are most affected by this unemployment: SA's youth unemployment has been labelled the third highest in the world, and stands at more than 50%⁷. In fairness to Mr Zuma, after presenting the positive figures he did go on to state that "this is still not good enough. The unemployment rate still remains high. Youth unemployment in South Africa continues to be of concern, as it is throughout the world."

There are also questions around the types of jobs that have been created. Analysts have noted that private sector job creation has been limited, with the majority of new jobs coming from the public sector⁸. The implication of this line of argument is that these new jobs are unsustainable; public sector hiring has its limits, given that government wages are ultimately paid by taxes on the private sector.

Unemployment cannot be attributed only to slow growth in the economy. Structural factors such as educational qualifications and a skills deficit are major contributors; and in many cases the skills offered by the unemployed do not match the jobs available in the market⁹. This indicates problems in the education system that negatively affect both old and young people in the job market. Hence, policy initiatives should be directed to meaningful improvements in education and training, especially in skills required by the market. Government's main response has been the provision of loan funding for low income students for post-secondary education and training, and the implementation of the Extended Public Works Programmes¹⁰. Overall expenditure on education has been massive, but with little impact. These initiatives have made some progress but do not solve the underlying issues.

Beyond the stubbornly high rate of unemployment, the country is also known as one of the most unequal societies in the world today. "According to the 2011 census, black households earn only 16% of that which white households earn. About 62% of all black people live below the poverty line, while in the rural areas of the former homelands this figure rises to a shocking 79%."¹¹ This is another indicator of the gravity of our socio-economic problems; despite economic improvements many people's lives have not substantially changed. Government's social grants programmes have certainly assisted in alleviating poverty, but these are not an ideal, long term solution.

Ultimately, the economic achievements highlighted in the 20 year review are legitimate, but they have to be understood in conjunction with the reality faced by many people living in unbearable conditions of unemployment and poverty.

3. Basic Services

One of the most burning issues in South Africa has been the delivery of basic services such as water, electricity and sanitation. The last few years have seen a massive up swell in protests by communities around the country over these issues, with many of them ending violently.

During the state of the nation address, President Zuma argued that government has effectively become a 'victim of its own success' in this area. In his account, service delivery has reached high levels, but communities that are still underserved have become impatient and have lashed out after seeing their neighbours receiving services. In effect, he dismissed service delivery protests as being an isolated phenomenon, as opposed to a symptom of generalised failures on the part of government.

According to the 20 year review there is much to celebrate in terms of service delivery. For example, "access to a basic level of water (one stand pipe within 200 metres) increased from just over 60% of households in 1994/95 to over 95% of households in 2011/12."¹² On the face of it, this is certainly an improvement, but it is worth interrogating the meaning of 'access' in this context. It does not mean that people have taps in their homes; it merely means that there is a tap, somewhere, within 200 metres. This still requires people to travel to the tap to get water, and this can involve walking through unsafe areas at night, and can expose women and children (who do the majority of housework in South Africa) to serious dangers. Indeed, Africa Check has pointed out that the levels of 'access' reported by government fall well short of expectations, with household dissatisfaction over water supplies increasing over the last few years¹³.

Using 'broad' definitions such as this one obscures the true dimensions of the service delivery problem in South Africa. How many South Africans have access to potable water within their homes? Answering this question

would give a better picture of the current situation.

Similar problems exist in the case of sanitation. Again the 20 year review sings the praises of government's work in this field: "Access to a basic level of sanitation (at least a ventilated improved pit latrine) increased from just over 50% of households in 1994/95 to 83% of households in 2011/12."¹⁴

This is an improvement, certainly. However, it is nowhere near enough, and it is wildly out of line with the government's own targets. In 2005, the government intended on eradicating the bucket system within 2 years¹⁵. And during a recent election tour the Minister for Human Settlements, Connie September, made the unlikely claim that government would eradicate the bucket system within months¹⁶. Clearly, government's promises around sanitation have little credibility.

Bearing all of this in mind, it appears that Mr Zuma's reading of the situation is highly questionable. As continuing protests indicate, communities around the country are convinced that current levels of service delivery is simply not good enough.

4. Health

Just a few weeks after the President presented the 20 year review, the Human Sciences Research Council (HSRC) released a highly worrying report on HIV/Aids indicating that the number of infected persons was on the rise. These findings come at a time when government prides itself on the strides it has made in dealing with the HIV/Aids pandemic and TB, and in improving primary health care in general. Access to primary health care has improved dramatically in the past 20 years. The number of people using public-sector clinics increased from 44.5% in 2004 to 59.6% in 2012¹⁷. This indicates increased access to primary health care and implies that government's efforts are working. However, improved access to primary health care does not mean that quality health care is being provided. There are still wide inequalities between publicly-administered health and private health. This suggests that affordability is the key to good quality health care, which in some cases can mean life or death. Therefore, poorer South Africans are still seriously disadvantaged despite the improvements of the past two decades.

Furthermore, government's campaign against HIV/Aids seems to be struggling, despite the successes achieved in providing antiretrovirals (ARVs) to patients. The HSRC's findings point to the larger problem of prevention, rather than merely dealing with people already infected by the HIV virus. "An estimated 12.2% of South Africa's population was infected with the HIV virus in 2012, compared with 10.6% in 2008, according to a survey of 38 000 people carried out by [the HSRC]"¹⁸. The fact that more and more people are being infected implies that, even though government is succeeding in helping those already infected, a different approach is required to curb new infections. Although this does not directly show poor service standards in public health, it clearly indicates a greater social issue and a lack of proper sex education and general understanding of HIV/Aids among the population. Government needs to improve its work in this area, ideally starting with re-assessing the effectiveness of its awareness campaigns.

In addition to the HIV/Aids problem, South Africa suffers from an extremely high incidence of maternal mortality. A study conducted by Professor Alex van den Heever shows that between 300 and 400 women per 100 000 die from pregnancy-related problems as a result of lack of access to adequate antenatal care¹⁹. The deficiency is worst in rural areas, where women have to travel long distances to get medical assistance and thus go to the clinics much later in their pregnancies, which may cause complications. In some cases, these women are subject to poor health care in inadequate hospitals that lack the required resources, human or otherwise. This illustrates the tremendous gap between what is needed from the South African healthcare system, and what it currently provides.

Government is currently attempting to improve the quality of public healthcare by initiating the National Healthcare Insurance scheme (NHI), which aims to promote universal access to primary healthcare and to improve the quality of health care services. The success of this initiative remains to be seen. Worryingly, government has yet to demonstrate how the NHI will be funded. Given fiscal constraints, and the massive deficit in healthcare in South Africa, it remains unclear how government will realize its ambition of

creating a system that will ensure quality health care for all South Africans.

5. Conclusion

The editor of the London *Financial Times*, Lionel Barber, recently toured South Africa and wrote: "Twelve days in southern Africa is a reminder of how far the region has come ²⁰[The national] bargain is still holding. The economy has tripled in size. A new middle class is emerging. Access to health and education is improving even if inequality overall is increasing²¹."

He contrasts this to the era of tremendous crisis and violence that South Africa endured at the end of apartheid, and quite rightly reminds us of how far we have come. There is value in taking a step back and reviewing the overall arc of South Africa's progress. In this sense, the 20 year review does a good job, and is a document worth reading and considering. South Africa's policy dialogue has an unfortunate tendency towards negativity and doom-laden talk. Having an external perspective helps us to see past the fog of daily bad news and appreciate the broader landscape of the country.

However, in the same article, Mr Barber also points out: "The next 10 years will be critical...Jobs are badly needed in a country where 40% of the population is under 20. South Africans demand a better future. They will not settle for a glass half-empty – and nor should they."

In this he is also correct. In many respects South Africa has done well, but we have not done well enough. There is no room for complacency, and little time for congratulations. Unemployment and poverty continue to blight South Africa. Weak economic growth strangles the prospects of the poor, and corruption and lack of management capacity cause many promising policies to wither on the vine.

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- ¹ Zama Ndlovu. 2014. <http://www.bdlive.co.za/opinion/columnists/2014/03/18/the-dangers-of-telling-a-single-story-about-south-africa>
- ² Twenty Year Review. From: <http://www.gov.za/documents/detail.php?cid=400604>
- ³ International Monetary Fund. 2013. Economic Health Check. From: <http://www.imf.org/external/pubs/ft/survey/so/2013/CAR080713A.htm>
- ⁴ State of the Nation Address 2014. < <http://www.scribd.com/doc/206968074/Full-speech-%E2%80%93-State-of-the-nation-address-2014> >
- ⁵ Statistics South Africa. From: http://beta2.statssa.gov.za/?page_id=735&id=1
- ⁶ Jason Hickel. 2014. South Africa at 20: Storms behind the rainbow. From: <https://www.youtube.com/watch?v=aNjy6KxbbMU>
- ⁷ Klaus Schwab. The Global Competitiveness Report 2013–2014. World Economic Forum. From: http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2013-14.pdf
- ⁸ “Investec’s economists note that the economy generated only 39,000 jobs last year and 45,000 were in government, which meant the private sector lost jobs.” <http://www.bdlive.co.za/opinion/editorials/2014/03/19/editorial-no-use-demanding-jobs>
- ⁹ Pierre Heistein. 2011. Problem of unemployment. From: <http://www.getsmarter.co.za/blog-business/848-economics-is-economic-growth-the-key-to-job-creation>
- ¹⁰ The BRICS Post. 2014. Youth employment critical to BRICS growth – UNDP. <http://thebricspost.com/youth-employment-critical-to-brics-growth-undp/#.UzvVuoV0rIU>
- ¹¹ Jason Hickel. 2014. South Africa at 20: Storms behind the rainbow. From: <https://www.youtube.com/watch?v=aNjy6KxbbMU>
- ¹² 20 Year Review page 71
- ¹³ Africa Check did a very comprehensive and thorough investigation of President Zuma’s claims in the State of the Nation address. <https://africacheck.org/reports/a-first-look-at-president-jacob-zumas-2014-state-of-the-nation-address/>
- ¹⁴ 20 Year Review page 71
- ¹⁵ http://www.nwu.ac.za/sites/www.nwu.ac.za/files/files/p-fl/documents/SERI_Guide_to_Basic_Sanitation_Jul11.pdf
- ¹⁶ <http://www.infrastructurene.ws/2014/03/04/government-plans-to-eradicate-bucket-system/>
- ¹⁷ Twenty Year Review. 2014. From: <http://www.gov.za/documents/detail.php?cid=400604>
- ¹⁸ Joe Brock. 2014. South African HIV prevalence rises on soaring new infections. From: <http://af.reuters.com/article/topNews/idAFKBN0CO03B20140402>
- ¹⁹ Katharine Child. 2014. ‘New Pregnancy Grant’. Times Live_ March, 17. From: <http://www.timeslive.co.za/thetimes/2014/03/17/new-pregnancy-grant>
- ²¹ Lionel Barber. 2014. Twelve Days in South Africa. www.ft.com/cms/s/2/5f8fbaee-c049-11e3-bfbc-00144feabdc0.html#axzz2yZ53Kjue

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