

## **II SOCIAL CONDITIONS – MAJOR TRENDS IN THE PAST DECADE**

### **1 Economic development impacting directly on social conditions**

South African economic relations are characterised by a market-based system of ownership of capital and distribution of wealth and income. The permutations in the economic system have historically been defined by race.

In the period since the attainment of democracy, the State has been successful in achieving macroeconomic stability and using the fiscus and other instruments at its disposal for the redistribution of wealth. The economy has grown at a rate higher than that of population growth, though far below the country's requirements and potential.

While measures such as industrial restructuring, labour legislation, Black Economic Empowerment (BEE) and small, medium and micro enterprises' (SMMEs) support, human resource development and changes in the taxation structure have somewhat impacted on economic relations, exclusion of the majority from the economic mainstream manifests itself in the existence of 'two economies' in one country. Such exclusion finds expression starkly in the high rate of unemployment.

### **2 Impact of major social programmes**

Income poverty alleviation by the State has happened mainly through the system of social grants, with expenditure and the number of beneficiaries having increased more than threefold since 1994. Changes in the taxation structure have also improved disposable income.

Human capital poverty alleviation has taken the form of programmes in the areas of education, health, water, sanitation and electrification. These have quantitatively and qualitatively improved the lives of millions.



Asset capital poverty alleviation, through the housing and land programmes, has seen massive resources transferred to individuals and communities.

However, the legacy of apartheid remains huge, with millions still unable to access such basic necessities as clean portable water, electricity and shelter.

### **3 Building a law-governed society**

Transformation of the agencies responsible for security and justice has improved their legitimacy. This reform has included the introduction of a new culture based on respect for human rights and co-operation with the public.

Progress has been registered in dealing with high priority crimes, including the virtual elimination of political violence and terrorism. Murder, vehicle hijacking and bank-related crimes have declined by more than a third; and campaigns on violence against women and children have improved public awareness and co-operation with security agencies.

Measures to regulate private security and intelligence industries, control gun-ownership, focus on crime syndicates and attend to corruption in both the private and public sectors have ensured steady progress towards a law-governed society.

However, the progress made should be measured against the fact that, in 1994, the country started from a very high base in terms of crime incidence. Further, the challenge is exacerbated by the fact that a large part of the crimes are violent.

### **4 Governance and legitimacy of the system**

The abiding strength of the political system lies in its legitimacy, giving voice to the people and rooted in the principle of accountability. Ongoing efforts to restructure the State to better serve the people has found expression in new laws, improved conditions of public servants and infrastructure to reach the people.



Performance-related assessments and efficient public finance management have improved the integrity of the State.

Overall, the dynamic of popular legitimacy, macroeconomic stability, improving social conditions and a security system changing for the better defines the trajectory of social relations in the first decade of freedom. The greatest progress was manifested in those areas in which the State has direct control, raising a critical question about the leadership role of the State in mobilising society to take active part in the processes of change.

Further, the observed major social trends have thrown up new challenges: changes in demographic patterns reflected in the massive growth in the number of households; a dramatic increase in the economically active population; restructuring of the economy with new sectors gaining prominence and redefining labour needs; and migration which has changed the economic, political and social profile of many communities.

### **III SOCIAL STRUCTURE AND SOCIAL MOBILITY**

In order to understand changes in the social structure of society, particularly trends with regard to mobility, a number of factors need to be taken into account. These include measurements of poverty in its various dimensions, trends in employment, the interface between household demographics and income, as well as the composition of various income groups within society as a whole.

Further research on these issues is required, but some trends can be gleaned from the Census and other data.

#### **5 Assessing poverty and inequality trends**

Two main sources of income mobility are demographic and economic events. The former refers to changes in household size and composition while the latter examines changes in employment, wage income and unearned incomes.

