CHAPTER SIX

6. SOCIO-ECONOMIC DEVELOPMENT

6.1 Overview

690. The prevailing socio-economic inequality in South Africa is a major legacy of the apartheid era. With a Gini coefficient of 0.58 South Africa continues to be one of the most unequal countries in the world. It is estimated that in 1989, 52.7 per cent of black South Africans were living below the poverty level, compared with only 1.6 per cent of white people. By 1993, towards the end of apartheid, the poorest 10 per cent of the population (overwhelmingly black) received a mere 1.1 per cent of the population's income, while the richest 10 per cent (overwhelmingly white) received 45 per cent.

691. The government that emerged from South Africa's first non-racial democratic elections of 1994 had no alternative but to confront the daunting socio-economic challenges. In Chapter Two of this report, five legacies of apartheid were discussed. Inevitably, the search for an appropriate socio-economic development paradigm that could address these legacies became a major preoccupation of the ANC-led government, even before the 1994 general elections. This search culminated in the Reconstruction and Development Programme (RDP) in 1994, which addressed the huge structural problems, including mass poverty, a dualistic polity, high unemployment rate, huge social service backlogs and severe socio-economic inequalities. These problems were the consequence of decades of oppression and severe social deprivation by the minority white-dominated apartheid government.

692. Apartheid South Africa, having gone through more than two decades of economic stagnation due, inter alia, to global economic sanctions, left behind strains of severe socio-economic inequalities. Of greater immediate concern was the macroeconomic instability, which involved a high inflation rate, huge balance of payments deficits, a heavy debt burden, currency volatility, and so on. By 1994, the situation was thus:

- The economy had experienced three years of negative growth rate – the economy and wealth of the nation were shrinking.
- South Africa had experienced more than a decade of declining growth in per capita income – the average income of South Africans had been falling since the 1980s.
- From 1985 to mid-1994, total net capital outflows from South Africa amounted to almost R50 billion.
- During the fiscal year 1993/94, the government had run up a budget deficit equal to 9.5 per cent of the GDP, including the debt of the so-called independent homelands.

693. The new government had no alternative but to give priority to these macroeconomic challenges. It consequently opted for the Growth, Employment and Redistribution (GEAR) Strategy, whose primary objective was to bring about macroeconomic stability.

694. However, GEAR was adopted without popular consultation, as it was not referred to the National Economic Development and Labour Council (NEDLAC). Hence, there was some tension regarding its introduction. GEAR was also criticised by labour movements as focusing too much on economic growth and macroeconomic stability, without paying as much attention to social and human development concerns, such as poverty, unemployment, inequality, economic empowerment and gender mainstreaming.

695. The GEAR model aimed for the reduction of the fiscal deficit down to 3 per cent of GDP; government consumption down to 18.1 per cent of GDP; and Consumer Price Index (CPI) inflation down to 6 per cent per annum. All these targets were exceeded, with a 2.2 per cent deficit to GDP ratio, 18 per cent government consumption and a 5.4 per cent inflation rate, respectively.

696. To everyone's disappointment, targets for job growth and investment were not attained. The target for job growth was 2.9 per cent per year in formal non-agricultural employment. Since 1995, employment has grown at about 2.5 per cent per year, but more than half the new jobs have been in the informal sector. Investment performance was even more disappointing, particularly towards the late 1990s. Growth was also disappointing, averaging 2.6 per cent over the GEAR period instead of the projected 4.2 per cent.

697. This means that, despite sound fiscal and monetary policies in the past decade, the state of the South African economy has not significantly improved in terms of alleviating poverty and unemployment. Real per capita income decreased and past socio-economic inequalities have largely remained unchanged.

698. However, democratic South Africa inherited a solid economy and infrastructural base (mining, agriculture, industry, services and finance), which made it the dominant economic power in Africa. For instance, Gauteng, the smallest province in South Africa, is the fourth largest economy on the African continent, excluding South Africa (see Table 6.1).

699. At present, the greatest challenge to socio-economic policy in the new South Africa is the need to address poverty and unemployment, which has been compounded by both historical and contemporary factors. There is, therefore, the need for structural transformation of both the economic base and social structure of South African society. Growth alone does not make for modernisation and socio-economic transformation. As Joseph Schumpeter, a renowned Austrian economist once put it, "add successfully as many rail coaches as you like, you will never get a railway". To join the rich world means to acquire the ability to grow indefinitely not by doing more of the same, but moving continuously into ever higher value-added and diversified production systems.

Table 6.1: Gross Domestic Product (current prices), US$ million

Countries	2001	2002	2003	2004
Algeria	54 855	55 914	68 019	84 649
Angola	8 936	10 835	13 825	19 493
Gauteng, South Africa	44 542	31 817	49 382	69 769
Egypt	97 686	87 851	82 924	78 796
Kenya	13 059	13 192	15 036	16 088
Libya	29 994	19 346	23 465	29 119
Morocco	33 901	36 093	43 813	50 031
Nigeria	48 000	46 711	58 294	72 053
Sudan	13 618	15 376	17 792	21 098
Tunisia	19 977	21 024	25 000	28 185
South Africa	118 479	110 518	165 434	212 777

Sources: StatsSA, GDP, 29 November 2005; World Bank, World Development Indicators (http://devdata.worldbank.org/data-query/); Currency Calculator (www.xrates.com).

700.   Structural transformation in South Africa requires a deconstruction of the inherited apartheid economy to make way for the Constitution of a new indigenous socio-economic order based on the triple pillars of democratisation of the development process, national and collective self-reliance, and the restitution and development of an indigenous social democratic order.

701.   This suggests that, although the importance of promoting growth in South Africa cannot be overstated, growth alone is insufficient to bring about the deconstruction of a colonial economy with dualistic characteristics. The inherent inequitable structures in such an economy inevitably result in the inequitable distribution of income and wealth.

702.   It is obvious that the dichotomous relationship between growth and socio-economic development, now passé as it is, is a false one. Sustainable development is not possible in a country where large numbers of people are malnourished, disease-ridden and illiterate.

703.   The capability of most people in a country to interact effectively is determined to a large extent by their state of nutrition, health and knowledge. For this reason, it is important to identify those who fail to benefit from growth. The poor benefit from growth whenever it raises the returns to the few assets they hold, such as unskilled labour and land. There is also a need to use the benefits of growth for social provision through strong state intervention.

704. The South African economy is currently at a crossroads where political choices have to be made regarding the creation of the necessary conditions not only to move the country to a high growth trajectory, but also to bring about sustainable human development. It has become clearer than ever before that this will not be possible without reducing the massive socio-economic inequalities prevalent in South African society.

705. The normalisation of South Africa's political and economic relations since the beginning of the 1990s has exposed the country's economy to the powerful influence of globalisation. As stressed in the RDP and later in GEAR, the belief was that given the right policy mix, this process would substantially reduce structural problems. However, the anticipated positive functional relationship has not held unequivocally for South Africa. The benefits of globalisation now seem to be largely confined to the modern economy and the trickle-down effect to the peripheral economy is yet to materialise.

706. Labour markets in South Africa are characterised by an oversupply of unskilled people and a great shortage of skilled workers in certain sectors. Many jobs have also been foreclosed due to sluggish growth and low levels of investment and productivity.

707. The absolute costs involved in meeting the basic needs of people are, however, not insurmountable. South Africa, with its large and sophisticated economy, is at an advantage relative to most African countries with small and weak economies. Hence, the recent search for a new paradigm that will address macroeconomic and development challenges – the Accelerated and Shared Growth Initiative for South Africa (AsgiSA).

708. As South Africa embarks on AsgiSA, the pace of transforming the country should be increased. If, by implementing the new initiative, the constraints that currently bind the push forward are removed, the production of public goods and services that provide employment and reduce poverty will be boosted.

709. Of all the major constraints present in the South African economy, a critical factor is the lack of human capacity (both in quality and quantity) in the private and public sectors. This is especially the case at the local government level, suggesting the need for strengthening capacity.

710. To address the current socio-economic inequalities, the economic empowerment of poverty-stricken population groups should also be high on the country's policy agenda. For the economy to move from the current low to a high-growth scenario, new innovative policy actions are required, with special attention to appropriate investment in human capital.

711. The overall conclusion is that higher, balanced and sustainable growth and development in South Africa will be difficult to achieve if the problems of poverty, unemployment, socio-economic inequities, low levels of savings and investments and abysmally low productivity, particularly in the second economy, are not addressed. This is the context in which we examine socio-economic development in South Africa.

6.2   Standards and Codes

i.   Summary of the CSAR

712.   According to the CSAR, the standards and codes for socio-economic development that South Africa has adopted, signed or ratified are the:

- Constitutive Act of the African Union (2000);
- African Charter on the Rights and Welfare of the Child (ACRWC) (2001);
- African Charter on Human and People's Rights (ACHPR) (1983) and the Protocol to the ACHPR, including the Protocol on the Rights of Women in Africa (2004);
- NEPAD Framework Document (2001);
- African Charter on Popular Participation in Development (1990);
- United Nations Millennium Declaration (2000);
- World Summit on Sustainable Development (2002);
- Convention of the Elimination of All Forms of Discrimination Against Women (CEDAW) (1980);
- UN Declaration on the Right to Development (1996); and
- World Summit on Social Development Plan of Action (1995).

However, there is very little discussion on the extent of domestication of these standards and codes, as indicated in the APRM questionnaire.

ii.   Findings of the CRM

713.   The government has adopted, signed and ratified all the standards and codes listed in the APRM Questionnaire. However, the CRM established that South Africa is yet to ratify the International Covenant on Economic, Social and Cultural Rights, which the CRM has identified as important for South Africa's rights-based development agenda.

714.   The CSAR contains a list of standards and codes in Appendix A. Whereas this list states whether and when they were ratified, it does not provide any information on steps taken to ensure compliance. Likewise, no information is given on the challenges experienced and steps taken to address shortfalls and capacity constraints, as well as progress in achieving standards or objectives in terms of appropriate result indicators, as required by the self-assessment questionnaire. The extent to which the standards and codes have been domesticated is therefore not clear. A brief discussion of compliance on each standard and code follows below.

Constitutive Act of the African Union

715.   The highlight of the 2000 Organisation of African Unity (OAU) Assembly of Heads of State and Government in Lomé, Togo was the adoption of the Constitutive Act of the African Union, in terms of the Sirte Declaration of 9 September 1999. South Africa ratified this

Act on 23 April 2001 with the OAU General Secretariat, becoming the 35th member state to do so. South Africa has participated in the development of the Rules of Procedure for the Assembly, and the same process has taken place at Southern African Development Community (SADC) level. South Africa hosted the first Summit of the African Union (AU) on 1-11 July 2002 in Durban. Apart from the significance of hosting the inaugural summit and playing host to 53 heads of state and government and their delegations, President Thabo Mbeki became the first Chairperson of the AU. In general, South Africa has maintained its dedication in the affairs of the AU.

African Charter on the Rights and Welfare of the Child

716. South Africa ratified the ACRWC in 1999. A committee was elected to monitor the process and the first meeting was held in April 2002. A Summit on the Rights of Children in South Africa was held between 27 May and 1 June 1992 in Somerset West, Western Cape. The Summit, at which the Children's Charter of South Africa was drawn up and adopted, was a momentous turning point in realising a culture of children's participation in child rights advocacy. The Summit brought together over 200 children aged 12 to 16 years, from 20 different regions all over South Africa. They discussed the problems they faced and spoke out on the continuing violations of human rights. They recognised that apartheid affected them and that children were not treated with respect and dignity. South Africa also ratified the Convention on the Rights of the Child on 16 June 1995. The first report was submitted on 4 December 1997.

717. Further evidence of compliance lies in the provision of free healthcare for children under 6 years of age and the establishment of a child support grant. Children with disabilities, teenage pregnancies and STD/HIV infection among adolescents have been identified as priorities in child health. However, the challenges remain substantial. Proximity to healthcare facilities and inadequate transport present enormous obstacles. In terms of education, this right is protected in the Constitution and other mechanisms, such as school nutritional programmes. However, access and funding remain critical challenges, as is explored in Objective 3.

African Charter on Human and People's Rights

718. South Africa ratified the ACHPR on 9 July 1996. The Constitution clearly guarantees all South Africans equal protection and benefit of the law. Compliance of this Charter is generally observed through South Africa's rights-based agenda discussed in the overview (section 6.1).

NEPAD Framework Document

719. The strategic framework document for the New Partnership for Africa's Development (NEPAD) arises from a mandate given by the OAU to the five initiating heads of state (Algeria, Egypt, Nigeria, Senegal and South Africa) to develop an integrated socio-economic development framework for Africa. The strategic framework document was

formally adopted at the 37th Summit of the OAU in July 2001. As one of the five initiators of NEPAD, the President has actively participated in all meetings of NEPAD's Heads of State and Government Implementation Committee (HSGIC). As Chairperson of the AU in 2002/03, the President was responsible for the overall roll-out of NEPAD as the socio-economic development programme of the AU and, as such, promoted it in all international forums, from the UN and the World Summit on Sustainable Development (WSSD) to the Association of Southeast Asian Nations (ASEAN).

720. Concerning infrastructural projects, South Africa is one of 11 countries implementing the submarine cable project, known as the Eastern Africa Submarine Cable System (EASSy). The country is also represented on the Information Society Partnership for Africa's Development and, among other things, will be expected to play a role in NEPAD's e-schools initiative. A national NEPAD business group has been established, as well as a national NEPAD focal point for coordinating, monitoring and integrating NEPAD programmes and development plans at country level.

721. South Africa has hosted the NEPAD Secretariat since its inception and has been the largest financial contributor to its budget to date. In addition, it seconded the Economic Advisor of the President to head the Secretariat for the first four years of its existence, and over time has seconded a number of officials to the Secretariat on a full-time basis while still carrying the costs of these posts.

722. South Africa was also one of the first countries to accede to the APRM in March 2003.

African Charter for Popular Participation in Development and Transformation

723. This Charter emerged from a conference sponsored by the United Nations Economic Commission for Africa (UNECA) during the historic month of February 1990 when former President Mandela was released from his 27-year imprisonment. It has made popular grassroots participation in policy making and programme implementation the foundation for true democracy. The Charter also calls for an opening up of the political process to accommodate freedom of opinion; tolerate differences; accept consensus on issues; and ensure effective, broad-based participation in the development process. To this end, South Africa tries to ensure extensive consultation with all stakeholders through NEDLAC, where all stakeholders are represented. Other efforts in compliance of this Charter are captured in Objective 6 of this Report.

United Nations Millennium Declaration

724. In September 2000, South Africa was one of a total of 189 countries that signed the Millennium Declaration, thereby accepting the targets of the Millennium Development Goals (MDGs) for eradicating poverty and other sources of human deprivation, as well as for promoting sustainable development. In South Africa, the Department of Foreign Affairs is the official overseer of the MDG process, while Statistics South Africa (StatsSA) is the lead agency responsible for managing the process. Recently, the government adopted Vision

2014, which is South Africa's direct response to addressing the development challenges set out in the Declaration. An MDG progress report was published in 2005, stating that South Africa is on course in terms of meeting the MDG goals by 2015. More information on MDG achievements can be found in Objective 2 of this Report.

World Summit on Sustainable Development

725. At the WSSD, held in Johannesburg from 26 August to 4 September 2002, President Thabo Mbeki was elected President of the Summit. The WSSD called for a commitment to health and sustainable development, poverty reduction, gender equality, primary education, rural infrastructure, food security, drinking water, sanitation, and so on. The Summit also called for corporate environmental and social responsibility and improvement in environmental performance, using procedures for environmental impact assessments (EIAs).

726. South Africa has enacted the National Environmental Management Act (NEMA) of 1998 that provides for the assessment of the environmental consequences of policies, plans and programmes. South Africa has also put in place the following: White Paper on Environmental Management Policy (1998); Integrated Sustainable Rural Development Strategy (2000); National Environmental Management: Biodiversity Act of 2004; National Environmental Management: Protected Areas Act of 2003; Regional Agricultural Policy (1998); Provincial Agricultural Bills (1999); White Paper on Land Policy (1997) and White Paper on Energy Policy (1998), to name a few. As mentioned, there is sufficient evidence of the political will to comply, but full implementation of these policies and programmes are hampered by capacity constraints.

Convention on the Elimination of All Forms of Discrimination Against Women

727. South Africa ratified CEDAW (Beijing Platform of Action) on 15 December 1995 and submitted its initial report in 1997. The report detailed the key problems and issues encountered in relation to the different rights of women, and outlined the main legislative and policy measures taken by the government. The aim was to establish baseline information from which progress in eliminating discrimination against women in all spheres could be measured in future.[34] The following articles are seen as most critical for eliminating discrimination against women in South Africa:

- Article 3 (advancement and development of women);
- Article 10 (education);
- Article 11 (equal opportunities in the workplace);
- Article 12 (healthcare); and
- Article 14 (rural women – Land Reform Programme).

728. In terms of reporting, South Africa has complied with the requisite periodic reports to the CEDAW Committee since 1997. The second report was submitted in January 2001 and

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34 Brand, D. & Bekker, G. 1998. Focus on the first CEDAW Report. Economic and Social Rights in South Africa Review, 1(3): 1-4, www.communitylawcentre.org.za.

the third report in January 2005. CEDAW requires full development and advancement of women in the political, social, economic and cultural fields. South Africa established a Portfolio Committee on the Quality of Life and Status of Women, which reviews the gender implications of various legislations. A Gender Equity Task Team was established and managed to achieve gender parity in primary and secondary schools. However, women are still underrepresented in the mathematics and science fields.

729.   In the area of employment, a legislative framework for ensuring equal rights and protection at work has been established. A Directorate for Equal Opportunities has been created to address gender imbalances. Gender parity has been achieved in decision-making positions within the public sector. However, women continue to be underrepresented in senior management positions in the private sector.

730.   Free healthcare is currently being provided for all pregnant women and children under 6 years of age, and primary healthcare has been extended to all South African residents. Nonetheless, there are still obstacles to women's ability to access healthcare facilities. South Africa has recognised that a key feature of poverty among rural women is lack of access to land. This is compounded by discriminatory social and cultural practices. The Land Reform Programme is the government's solution to the problem, but has so far been slow and ineffective where rural women are concerned.

United Nations Declaration on the Right to Development

731.   South Africa adopted this Declaration in 1996, which states that "the right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realised". South Africa's efforts to comply with the Declaration are enshrined in the Constitution and the rights-based approach to development.

World Summit on Social Development Plan of Action

732.   South Africa has adopted the Plan of Action of the World Summit on Social Development, which calls for countries to address their social problems urgently, especially poverty, unemployment and social exclusion. South Africa is still grappling with social development problems, particularly poverty and unemployment. The government has established a system of social security grants and an Expanded Public Works Programme (EPWP) to assist with the problem of unemployment. However, more needs to be done.

General Observations

733.   It was apparent during the stakeholder consultations that many South Africans are unaware of many of these conventions. The general lack of awareness has implications for citizens' ability to exercise these rights. For this reason, it is important that the populace be well

informed about existing instruments that South Africa has acceded to. Moreover, people are more likely to comprehend and appreciate the usefulness of these conventions if they have been translated into a language they can understand. When international and regional standards and codes are adopted and/or ratified, it is therefore important that they be translated into the 11 official languages and further explained to communities.

734. It was underscored in meetings with stakeholders (e.g. the North-West provincial legislature) that there is poor interpretation of the law at times, even among those in the legal profession. It was noted that, in some cases, women are not educated about their rights. The provincial legislature would do well to follow through to make sure that women have the Bill of Rights in a language that they understand. Efforts are made in schools to educate students about their rights, but this has limited impact when their mothers are uninformed about their rights.

735. Domestication of these conventions is critical. In some respects, South Africa has demonstrated this by establishing policies, institutions, programmes and other mechanisms for ensuring the implementation of adopted or ratified codes. More could be done, however, particularly in terms of ensuring: the rights of children; meaningful participation in policy making and implementation; and the attainment of the MDGs.

iii. Recommendations

736. The APR Panel recommends that South Africa:

- Disseminate information and sensitise the public about codes, standards and national laws. [Government; Public Education Unit]

- Translate these important documents into the country's local languages. [Government; Public Education Unit]

- Build capacity to ensure effective dissemination and awareness of legal instruments at local level. [Government; Public Education Unit]

- Ratify the International Covenant on Economic, Social and Cultural Rights. [Government]

- Pursue most vigorously the implementation of the codes and standards, including the passing of Bills such as the Biodiversity and Domestic Violence Bills, among many others. [Government; Private Sector; Civil Society]

6.3   Assessment of the Performance of APRM Objectives

Objective 1:	To Promote Self-Reliance in Development and Building Capacity for Self-Sustaining Development

i.   Summary of the CSAR

737.   This objective is to be achieved through South Africa's ownership and funding of its development strategies and programmes.

Ownership of the National Development Programme

738.   The CSAR emphasises that socio-economic development strategies and programmes are fully owned by South Africa both in their formulation and implementation. Inspired by the ruling party's RDP vision and the ultimate goals of meeting people's development needs, South Africa's socio-economic development programmes prioritise "the provision of basic services and opportunities for those most discriminated against under the apartheid regime, with a particular focus on improving the quality of life of women and children".

739.   The CSAR further notes that the RDP ideals and aspirations have been incorporated in the new Constitution and in various policies and guidelines. It is in this context that the government adopted the GEAR Strategy in 1996 to redress the socio-economic challenges facing the majority of South Africans.

740.   These objectives and strategies are translated into the planning and operational programmes of line ministries (departments) at national level as well as provincial and local levels. Integrated Development Planning (IDP) has been introduced at the local level as a system aimed at reversing the history of poor local planning and implementation capacity. Local government ownership of development planning and delivery capacity is considered crucial to the achievement of socio-economic development goals at grassroots level. This implies the need to enhance the operational capacity of local government.

741.   According to the CSAR, ownership of national development programmes should not be limited to the three spheres of government (national, provincial and local), but broadened to include all stakeholders in society. This requires full participation of these segments in the formulation and implementation of socio-economic development strategies and programmes at all levels. The CSAR recognises that this is particularly so at local government level where informal development socialisation mechanisms, such as Makgotla and Imbizo, have allowed critical segments of civil society and the private sector to engage with government leaders, thus building consensual approaches.

742. However, the CSAR recognises certain weaknesses and concerns, particularly at national level. Criticisms have highlighted the fact that GEAR was formulated and adopted without the involvement and participation of civil society through its operational arm, NEDLAC. In the same vein, the soundness and responsiveness of GEAR were criticised by civil society, in particular by some labour movements, as being a version of the structural adjustment programme simply aimed at promoting growth and integration into the globalised world market.

743. Another concern identified by the CSAR is that consultation processes for people's ownership of their development programmes through the Makgotla and Imbizo mechanisms are not fully institutionalised. They cannot, therefore, respond to or replace the needed publication of government policies and programmes for broad-based discussion on choices and policy orientations. The CSAR notes that while the Constitution provides a high-level framework for the country's development, submissions from South Africans indicate a divergence of views on the roles of different sectors, organisations and institutions. Notably, there was no disagreement over the ideal of a non-racial, non-sexist, democratic and prosperous country. Differences emerged on the best approach to implementing programmes for attaining the shared vision.

744. The CSAR notes, however, a good track performance in efforts to deepen broad-based participation at the local level, thus building and strengthening ownership of development programmes and democratic values. In the same vein, the Report underlines women's particular role in the process.

Funding the National Development Programme

745. The CSAR underscores an important dimension of self-reliance and notes that national development programmes are largely internally funded from domestic resources, while external development aid represents a small percentage of the government's expenditure on development. The CSAR also points to the need for better education and information on sources of socio-economic development funding, as well as donors' assistance focus and its alignment with national development objectives. In this regard, there is need for clarity on the National Development Agency's (NDA) actual role in the mobilisation and coordination of donor resources.

746. While recognising the important role the post-apartheid government has played in achieving macroeconomic stability that has contributed to economic growth and financial self-reliance for socio-economic development programmes, the CSAR also points out some weaknesses and concerns in terms of poor participation of civil society organisations (CSOs) in implementing these programmes as partners. Reduced funding to CSOs and community-based organisations (CBOs) is also mentioned, together with the call for a thorough analysis of their financial relationship with both domestic and foreign donors.

ii.   Findings of the CRM

747.   The CRM is impressed with South Africa's prudent funding of the national development programme, which is almost exclusively locally financed.

Best Practice 15: Self-Reliance in Funding Development Programmes

The CRM commends the South African government and the country's overall leadership for their efforts in materialising the principles of socio-economic development ownership and self-reliance, particularly in the areas of ownership and funding. Unlike most African countries, South Africa's self-funding amounts to 99.6 per cent of its development expenditure. The country receives only 0.4 per cent from foreign donors.

Income tax constitutes South Africa's main source of revenue. Residents are taxed on their worldwide income and non-residents are taxed on income generated from South African sources. Companies are taxed at a rate of 29 per cent, and a secondary tax of 12.5 per cent is levied on all income distributed by way of dividends. In addition to income tax, there are capital gains tax (tax on disposal of assets), VAT (14 per cent on goods and services) and other duties such as customs, excise, estate and stamp duties. Generally, the South African Revenue Service (SARS) is fairly efficient and effective at mobilising revenue. The result is a self-reliant country that is able to take charge of its destiny and align resources with identified national priorities. This is a best practice that all African countries should strive to attain.

Sources: Country Self-Assessment Report; APRM CRM Findings; SARS, www.sars.gov.za.

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748.   A number of critical issues still need to be addressed in promoting national development in South Africa. In addition to the weaknesses indicated in the CSAR, the CRM noted gaps in institutional capacity (in terms of coordination, mentoring, monitoring and execution) and human capacity (in terms of required development management and technical skills). These gaps constitute the main impediments to self-reliance in the socio-economic development of the country. In this regard, the CRM observed that the legacy of the apartheid years still represents a development challenge that needs to be addressed from all perspectives to accelerate the process and deepen the culture of self-reliance.

749.   Stakeholders underlined that self-sustaining development must be built from within through a genuinely self-reliant process involving all actors and beneficiaries. The government should no doubt foster the process by creating an enabling environment; empowering the people; producing needed technical assistance; and, above all, launching and sustaining a process of holistic human development. In this regard, South Africa's approach to self-reliance in development and self-sustaining development is considered a best practice. Communities also need to be empowered to avoid the risk of a social dependence syndrome. Since communities in South Africa, as indeed elsewhere in Africa, are still socially significant, they should be made to become economically significant.

750. Some challenges identified in the CSAR need to be addressed while existing solutions that are working need to be reinforced. These include: service delivery capacity at local government level; the effectiveness of BEE and its tendency to enrich a few elites rather than promote equitable empowerment of the black majority; discrepancies between the government's commitment to achieving critical development objectives; and concrete actions to materialise this commitment, including funding, which are entrusted to local governments.

751. The CRM noted that, in response to the challenges of service delivery, the government launched Project Consolidate, a local government support initiative. This initiative aims to address a fundamental problem of capacity within local government through direct intervention in areas of need, such as billing. However, Project Consolidate and its longer-term effects on capacity building pose challenges at the local level in terms of the provision of skills. (This has been discussed in Chapter Three.)

752. Self-reliance in development and sustainable development implies good management of resources, including environmental resources. The existence of a well-developed mining sector also requires that much emphasis be placed on developing a comprehensive environmental strategy aimed at protecting and regenerating natural and renewable environmental resources.

753. The cultural dimension of self-reliance and sustainable development is another important aspect of South Africa's efforts in post-apartheid socio-economic development. It is commendable that the government has established a Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities. However, stakeholders at all levels of society have pointed to poor cultural governance in terms of incorporating generational African sociocultural values in a modern society.

754. Other critical dimensions regarding self-reliance that were identified in the APRM background documentation are not clearly highlighted in the CSAR. First, there is the matter of food security and rural development. In 1998, the Ministry of Agriculture estimated that 30 to 50 per cent of South Africans had insufficient food. Since then, the government has made some effort in this regard, but there continues to be endemic poverty and poor development in rural areas. Second, the promotion of small, medium and micro-enterprises (SMMEs) is an important engine for growth and job creation. SMMEs contribute about 40 per cent[35] of the GDP and are thus an important sector for generating employment. Third, the matter of value-added industries and activities. The CRM believes there is a lack of clarity as to the nature and pattern of industrial development envisioned for the future. The CRM noted that democratic South Africa has inherited a solid economic infrastructural base for its socio-economic development that it will have to reconfigure, not only for market-oriented economic growth but, more importantly, also for the socio-economic needs of the large segments of its rural poor.

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[35] Department of Trade and Industry, 1998. Financial Access for SMMEs: Towards a Comprehensive Strategy. Draft discussion document. Pretoria: DTI.

755. The operationalisation of South Africa's strategic approach to self-sustaining development must make a conscious effort to avoid duplication, incoherence and poor coordination. The multiplicity of development bodies that manage and allocate development resources more often than not leads to ineffectiveness and inefficiency. Lack of effective coordination of sectors, or between sectors and development areas, also constitutes a critical problem. Intersectoral linkages are essential for ordered development. The CRM is of the view that there should be an integrated approach that puts together and strengthens linkages among thematic areas; among objective-related policies, strategies, programmes, institutional and legal instruments within any thematic area; and among projects and other instruments within an identified issue. This need was generally recognised by stakeholders in the provinces.

iii. Recommendations

756. The APR Panel recommends that South Africa:

- Address the issue of institutional and human capacity weaknesses through a comprehensive capacity-building and skills development policy to ensure that the human and institutional dimensions of self-reliance and self-sustaining development are strengthened. [Government; Civil Society; Private Sector]

- Accelerate the process of building local government capacity. In the process, ensure that Project Consolidate is fully effective and facilitates the transfer and/or building of requisite skills in project management, monitoring and evaluating as needed for effective service delivery. [Government; Civil Society; Private Sector]

- Prioritise environmental protection in the light of the mining sector and high levels of rural poverty. [Government; Civil Society]

- Vigorously improve integration and coordination of the planning and management of socio-economic development. Consider establishing a Ministry of Economic Development and Planning, as well as an Economic Intelligence Commission to undertake these crucial tasks. [Government; Private Sector]

Objective 2:	To Accelerate Socio-Economic Development to Achieve Sustainable Development and Poverty Eradication

i. Summary of the CSAR

Policies to Accelerate Socio-Economic Development

757. The CSAR identifies the key features of South Africa's development programme as human resource development, land reform, and the devolution of responsibility and resources

to local government. A local government-based strategy anchored in the constitutional requirement for a consultative development process has been adopted. It also outlines the national development goals articulated by the President in 2006. They include meeting the MDGs, reducing inequalities, halving poverty and unemployment by 2014 and sustaining economic growth at about 6 per cent by 2010.

758.   The CSAR outlines the set of socio-economic objectives on which the country had converged as of 2006: reduction in income and wealth inequality; reduction in unemployment and poverty; attainment of the MDGs; accelerated growth; and shared growth and improvement in the quality of life of South Africans. The CSAR further outlines a series of pro-poor interventions undertaken under the means-tested social assistance available for the poor, designed to address extreme poverty and hunger. The policies for meeting these targets include a social security system, unemployment insurance, road accident fund and worker's compensation. There are also social assistance grants, such as the Child Support Grant, Disability Grant and Old Age Pension Scheme. Other initiatives include the Integrated Nutrition and Food Security Programme, the EPWP, and the National School Nutrition Programme. The CSAR also outlines some challenges, such as persisting inequalities and the growing prevalence of HIV and AIDS and tuberculosis.

759.   Submissions received from the self-assessment exercise reflected the general agreement that South Africa's social security system is one of the country's most successful poverty alleviation programmes. The CSAR also notes that despite some tangible achievements, demand far outstrips the scope of the public works and nutrition programmes. It questions whether they can bring about real and lasting change. The CSAR also admits that many local governments lack the capacity needed to meet their responsibilities, due in part to a widespread shortage of technical skills.

760.   Concern has been expressed about the continued spate of corruption and fraud in the social security system. President Mbeki has alluded to the increasing fraud in the system and was quoted as stating in his 2005 State of the Nation Address that the growth in certain grant beneficiary numbers was unsustainable.

Results Achieved by Development Policies and Mechanisms

761.   The CSAR reports some ambiguity as far as results in terms of poverty are concerned, stemming from the lack of agreement or consensus on the definition of poverty. As a result, some stakeholders perceive poverty to be increasing, while others perceive it to be decreasing. While the CSAR lacks detailed information on the MDGs, it does indicate that South Africa's 2005 MDG Report shows appreciable positive improvements. However, there are growing concerns about the prevalence of tuberculosis and HIV and AIDS. The CSAR also notes that more needs to be done to ensure the continued empowerment of women and girls, especially as the unemployment rate is much higher for women (34.3 per cent) than men (25.7 per cent). A final result noted in the CSAR is that the percentage of households living in informal dwellings was 11.3 per cent in 2004.

ii.   Findings of the CRM

Policies to Accelerate Socio-Economic Development

762.   It is clear that South Africa fully recognises the need to promote sustainable development and reduce poverty. The country should be commended for the significant efforts it has made to address the devastating impact and legacy of apartheid. As indicated in the CSAR, South Africa has put in place numerous policies, measures and programmes for reducing poverty and promoting sustainable social and economic development at the national, provincial and local levels in accordance with the provisions of the Constitution, especially the Bill of Rights. Provincial governments have also developed Provincial Growth and Development Strategies (PDGSs) for dealing with the challenges of underdevelopment, poverty and unemployment.

763.   The key programmes designed to bring about development and address the destructive legacy of apartheid, and which dovetail into thinking about the development state are the following:
    • The RDP, which centres on meeting people's development needs and prioritises basic services and opportunities for those most discriminated against under the apartheid regime;
    • The GEAR Strategy introduced in 1996 to promote a stable macroeconomic environment as a necessary condition for sustainable interventions in promoting socio-economic development and pro-poor growth;
    • IDP, introduced to increase consultation and reverse the history of poor planning at local levels; and
    • AsgiSA, which attempts to respond to some of the weaknesses of GEAR by addressing employment and skills development.

764.   Launched by President Thabo Mbeki in July 2005 and headed by the Deputy President's office, AsgiSA is South Africa's most recent and comprehensive growth and development programme. It aims to halve unemployment and poverty by 2014 by removing the crippling legacies of apartheid and the binding constraints on the economy. AsgiSA aims for a minimum economic growth rate of 6 per cent by 2010. An important principle of AsgiSA is that economic growth must be sustainable and be shared among all South Africans. It recognises that while the social grants programme has made radical inroads into reducing poverty and redistributing income, a full third of South Africa's people is yet to benefit from the country's new prosperity.

765.   AsgiSA identifies six binding constraints to accelerated and shared growth:
    • Currency volatility;
    • Infrastructure inadequacy;
    • Skills shortages;
    • Lack of investment opportunities;

- Barriers to investment;
- Cumbersome regulatory environment; and
- Deficiency in state organisation capacity and leadership.

766. It proposes to address these constraints through:
- Making massive investments in infrastructure;
- Targeting economic sectors with good growth potential;
- Developing the skills of South Africans and harnessing those skills already there;
- Building up small businesses to bridge the gap between the formal and informal economies;
- Strengthening public administration; and
- Creating a macroeconomic environment that is more conducive to economic growth.

767. The government plans to review progress in the implementation of AsgiSA regularly. The programme will also be reviewed by a team of economists and social scientists.

768. Under AsgiSA, the Joint Initiative on Priority Skills Acquisition (JIPSA) – a high-level task team led by the Deputy President that will identify urgent skills needs and advise on how they can be met – was launched in March 2006. Likewise, the Spatial Development Initiative (SDI) will focus on high-level support in areas where socio-economic conditions require concentrated government assistance and inherent economic potential exists. The SDI programmes will focus government attention across the various national, provincial and local government spheres to ensure that investments are fast-tracked and synergies between the various types of investment are maximised.

769. The CRM noted that South Africa has employed two approaches in response to poverty: a social assistance-based approach and a development approach. The social assistance, social security or social grant approach is centred on providing financial assistance to the poorest households. Social security plays a critical role in poverty alleviation and has become increasingly important for the following reasons: until recently, the advanced occupational insurance system was mainly limited to white people; poverty has grown and become more visible in recent years; and social change has reduced traditional support networks that provide a safety net.

770. During consultations, the CRM confirmed the divergent views of poverty as explained in the CSAR. Civil society's view of increasing poverty is explained by the massive loss of jobs due to the decline in the mining sector. The government maintains that the elaborate social grants programme, coupled with such initiatives such as the EPWP, has overcompensated for the job losses and resulted in a cumulative reduction of poverty at national level. The government, however, noted that the perception that poverty is more rampant in urban areas compared with rural areas should not be underestimated, as globalisation has also had an adverse effect on local manufacturing companies and subsequently on urban employment. Due to inadequate data on poverty, the CRM was unable to confirm the poverty trends.

771.   The CRM confirmed research findings about the absence of a safety net for some South Africans who cannot find jobs within the informal sector. The Unemployment Insurance Fund, created in 1946, covers workers in the formal sector and provides benefits against loss of earnings through unemployment. As South Africa already has a large social transfer programme, the viable solution would be for the government to provide an enabling environment in which the informal sector can thrive and eventually integrate with the formal sector; intensify efforts at developing entrepreneurial skills; and promote employment opportunities that are labour-intensive and can take advantage of unskilled or low-skilled workers.

772.   While social transfer programmes are recognised as effective redistributive measures, there are concerns about the sustainability of South Africa's programme in the context of the rapidly growing numbers of recipients over the past five years. According to the Development Bank of Southern Africa (DBSA), over 10 million impoverished people were receiving social grants as of March 2006. The CRM believes there is a real danger of the South African population becoming dependent on grants. Some stakeholders, especially in the Free State and Western Cape, shared this concern. Indeed, according to stakeholders in most provinces visited, the system has already created dependency, a situation that could be aggravated in the future. It was disclosed that the system creates perverse incentives, such as encouraging women to bear children in order to obtain child support grants. Other concerns regarding social security schemes include a lack of proper targeting, lack of sound administration of grants, and cumulative impact. All these make the sustainability of social grants questionable.

773.   The CRM recognises that social grants are important as a short-term measure for alleviating severe poverty, particularly in the light of the legacy of apartheid. However, grants need to be accompanied by major empowerment measures that progressively enable beneficiaries of social grants to become self-reliant. If social grants (on South Africa's scale) continue for a long term, it will become a difficult political issue to deal with.

774.   The development approach to poverty reduction is aimed at making support and resources available that will enable poor people to participate in income-generating projects. Hence the introduction of the Poverty Alleviation Fund in the National Treasury, to provide grants to government departments for use in anti-poverty development programmes. The development approach has certain challenges. The findings of the CRM tally with the parliamentary findings (submitted to the CSAR) that it takes a long time for government departments to utilise their allocations for development initiatives primarily because of a lack of experience and capacity to undertake poverty alleviation projects. As a result, projects are often hastily implemented and not well planned.

775.   The CRM observed that agencies responsible for assisting with the identification of viable projects, funding and monitoring, such as the NDA, have significant capacity problems.

776. The CRM observed that the task of accelerating socio-economic development in South Africa to achieve sustainable development and poverty reduction faces several other challenges, especially the lack of a comprehensive and coherent development framework and strategy that emphasises the nexus of growth, employment and poverty reduction. This is especially urgent in the light of doubts about the sustainability of the social grants approach.

777. The relationship between growth and human development and growth and social development – in so far as it concerns unemployment, inequality and crime – is not well established in the national development agenda. There is also no clear pro-poor development policy and this is underscored by consensus on growth-driving sectors with corresponding policy designs and economic transformation. Admittedly, AsgiSA has been attempting to address these problems and, in what has been described as a pro-poor budget, the 2006/07 Budget lists education, health, social grants and crime as priorities. Furthermore, the strategy of poverty alleviation through social grants neglects the critical need for empowerment and a clear, sound policy on job creation, employment and skills development that goes beyond the EPWP. The EPWP, which aims to create jobs for at least 1 million people, was envisaged by the government as a short to medium-term solution, one that would never solve the structural unemployment problem. The missing gap, therefore, is a comprehensive approach to addressing unemployment in the long run.

778. South Africa's target of 6 per cent economic growth could ensure the achievement of the socio-economic development goals. While the CSAR is silent on the sectors that would bring about growth, the AsgiSA framework has identified priority growth sectors as business process outsourcing (e.g. call centres and claims processing), tourism and bio-fuels. Additional priority sectors include: chemicals; metals and metallurgy; agriculture and agro-processing; creative industries; wood pulp and paper; clothing and textiles and consumer durable goods. During CRM consultations, stakeholders perceived the following as potential growth sectors: tourism, automobile production, wine and agriculture. The government would do well to consult more broadly and reach consensus on sectors that would create not only growth, but also "pro-poor" growth.

779. Overall, AsgiSA is a noteworthy improvement on GEAR. It acknowledges that increased employment and skills development are key mechanisms for attaining shared growth. However, South Africa would do well to revisit its national policies periodically, including AsgiSA, to deepen their alignment with poverty-reducing sectors and thus achieving the aspirations of the RDP.

780. It should be emphasised that some stakeholders in South Africa are apprehensive about AsgiSA. Trade unions, for instance, are concerned about the prioritisation of mining, heavy metals and chemicals. These sectors are capital intensive and therefore do not quite address poverty and structural problems in the economy. Stakeholders have raised a related concern about the general absence of a coherent strategy for dealing with inequality.

781.   The CRM noted that South Africa has not built the MDGs explicitly into its planning in terms of the alignment of programmes, harmonisation around national processes, and predictability. This is evident in South Africa's 2005 MDG Progress Report, which admits its shortcoming in terms of lacking coherent time-series data to show progress made in achieving the goals. The CRM suggests that South Africa can use the MDGs as a tool to fight poverty, achieve growth, and develop and implement focused national strategies for poverty reduction. The MDGs also facilitate socio-economic development through their requirement of consistent monitoring of various socio-economic indicators. The focus on MDGs should address critical areas such as: rural and urban productivity; health; education; gender equality; water and sanitation; environmental sustainability; and science, technology and innovation.

782.   The CRM suggests that there is a need to merge parallel processes and build poverty alleviation efforts into national processes, especially national plans and the Medium-Term Expenditure Framework (MTEF). This requires building capacity in parliaments and the broader political system, as well as among civil society groups, to understand the nature of the choices to be made.

783.   The enactment of policies for accelerating self-sustaining development is largely the work of the legislature. The legislature, especially at provincial level, does not seem to perform its constitutionally assigned role fully in dealing with the critical challenges of underdevelopment, poverty and unemployment. The legislative branch of the Republic – the National Assembly and the provincial legislatures in exercising their legislative mandates – has the power to pass or reject legislation; initiate or prepare legislation (except money Bills); ensure that the executive organs are accountable; and maintain oversight over the executive and other organs of state in such areas of the economy as agriculture, education, housing, industrial promotion, regional planning and development, trade, urban and rural development, and welfare services. However, the CRM found that the legislature plays a limited role in charting the course for accelerated economic development. This is also a valid argument for the need of a legal framework that will enable the government to undertake its development function fully.

Results Achieved by Development Policies and Mechanisms: Millennium Development Goals

784.   A progress report on the MDGs was published in 2005 and endorsed by StatsSA. This is the report on a set of goals initiated by the United Nations Development Programme (UNDP) and endorsed by several countries around the world. Their aim is to alleviate poverty and enhance human wellbeing, particularly for marginalised groups such as women, children and the rural poor. According to the report, South Africa is on course to meet all the MDG goals. This is no doubt a laudable ambition. Its realisation would necessitate the more than doubling of effort by the government and all other stakeholders during the next eight to nine years.

Table 6.2: Millennium Development Goals Indicators

Goals	2000	2002	2003/04
EXTREME POVERTY: Halve the proportion of people living below the international poverty line by 2015	10.7% (under US$1 a day) 34.1% (under US$2 a day)	–	–
HUNGER: Halve the proportion of underweight among children under 5 years of age by 2015	11.1% of under-5-year-olds have hunger-related problems (1999)	–	–
UNIVERSAL PRIMARY EDUCATION: Achieve universal primary education by 2015	90.4% net enrolment rate	89.0% net enrolment rate	88.8% net enrolment rate
GENDER EQUALITY: Achieve equal access for boys and girls to primary and secondary schooling by 2015 Women's equal representation in national parliament	Gender parity index in primary school enrolment: 0.97 Gender parity index in secondary school enrolment: 1.10 Women in parliament: 29.8%	Gender parity index in primary school enrolment: 0.97 Gender parity index in secondary school enrolment: 1.08 Women in parliament: 29.8%	Gender parity index in primary school enrolment: 0.97 Gender parity index in secondary school enrolment: 1.07 Women in parliament: 29.8%
CHILD MORTALITY: Reduce under-5 mortality and infant mortality by two-thirds by 2015 (current levels)	63/1000 (under 5 years) 50/1000 (infants: 0-1 yr)	–	67/1000 (under 5 years) 54/1000 (infants: 0-1 yr)
MATERNAL HEALTH: Reduce maternal mortality ratio by 75% by 2015	230/100 000	–	–
COMBAT HIV AND AIDS, AND MALARIA: Stop and reverse the spread of HIV and AIDS, tuberculosis and malaria by 2015	HIV and AIDS: 15-49 years: n/a Tuberculosis death rate per 100 000 = 141.8	HIV and AIDS: 15-49 years: 20.9% Tuberculosis death rate per 100 000 = 111.3	HIV and AIDS: 15-49 years: 18.6% Tuberculosis death rate per 100 000 = 119.9
ENVIRONMENTAL SUSTAINABILITY: Reverse loss of environmental resources by 2015 • Carbon dioxide emissions per capita (metric tons) • Population with access to improved water source (%) • Population with access to improved sanitation (%)	7.16 – –	7.65 – –	7.78 Urban (99%) Rural (73%) Urban (79%) Rural (46%)

Source: United Nations Statistics Department. Millennium Development Goals Indicators. Updated July 2006. www.undg.org.

785. Concerning the first goal of halving extreme poverty and hunger, the challenges that should be addressed to meet the goal have already been discussed. With regard to the second and third goals, primary education and gender equality, tremendous progress has already been made. However, the government should give special and urgent attention to the few communities lacking access to education due to long distances between homes and schools. This was particularly evident in the Northern Cape. Table 6.2 provides statistical data on the MDGs. Under Objectives 3 and 4 of this chapter, more details are provided to give insight, progress information and perspectives.

iii. Recommendations

786. The APR Panel recommends that South Africa:

- Develop a long-term strategic plan that exploits the nexus of growth, employment, poverty reduction, income and wealth redistribution, and systematically reduces social grants while emphasising empowerment and considering sustainability issues. [Government; NEDLAC; Civil Society]

- Fully integrate the MDGs in a national development strategy. They should be credibly costed, funded and implemented, preferably through the budget and expenditure framework. [Government]

- Periodically review and evaluate existing programmes for their effectiveness in dealing with the problems they were meant to solve. Non- governmental stakeholders can take the lead in initiating, monitoring and evaluating the alignment. [Government; NEDLAC; NGOs]

- Enhance the role and impact of the legislatures in addressing key development challenges. [Government; Civil Society]

Objective 3:	To Strengthen Policies, Delivery Mechanisms and Outcomes in Key Social Development Areas, Including Education for all, Combating of HIV and AIDS and Other Communicable Diseases

i. Summary of the CSAR

Health and Education

787. According to the CSAR, transforming South Africa's racially split public and private healthcare systems has been a tough challenge. Quality healthcare remains out of reach for the majority of the population. South Africa has various policies, such as: the Health Policy Framework, which is the overarching policy for health reform and the delivery of accessible and affordable healthcare; the White Paper for the Transformation of the Health System in South Africa; and the National Health Act of 2003, which also pays special attention

to healthcare for women and children. Free healthcare is provided for pregnant women and children up to 5 years of age. In order to increase accessibility and compensate for the scarcity of health professionals, physicians have compulsory community service; the government has established a programme of importing healthcare skills; traditional healers have been integrated into the mainstream healthcare system; and community healthcare workers and councillors are tasked to ensure that health services reach the most isolated parts of the country.

788.   The CSAR mentions six pieces of legislation that are relevant to HIV and AIDS. They pertain to healthcare, employment equity and basic human rights. Other mechanisms and institutions include HIV and AIDS Care, Management and Treatment Plan, and an AIDS Council. According to the CSAR, 4.5 to 6.3 million South Africans are infected with HIV and AIDS. The pandemic has also contributed to a severe outbreak of tuberculosis, which has led to the establishment of a Tuberculosis Crisis Plan. A National Malaria Control Policy is in place to halve the burden of malaria by 2010. South Africa has managed to eradicate polio since 1989 and is in the process of being certified polio free.

789.   The right to education is guaranteed by the South African Constitution. The CSAR states that South Africa is committed to free basic education and learners are obliged to be in school for at least nine years. The education budget has been increased quite significantly over the years. Current school funding norms and standards are based on the extent of financial need. Consequently, the poorest learners are receiving seven times more funding per capita than the wealthiest. The appropriateness of learner material in some schools was raised in the CSAR, as well as the lack of learner support materials for learners with special educational needs. On the positive side, a school nutritional programme in every school across the country not only ensures that all children are well fed, but also provides a market for local food suppliers.

790.   A National Plan for Higher Education is in place to transform higher education. It is complemented by bursaries to assist black South Africans to enter and complete university programmes. The CSAR notes that data on access to tertiary education reveals that black students now account for 72 per cent of all enrolments in tertiary education, while female students account for more than 50 per cent. The concern is that poor learners, particularly from black communities, are fairly absent in the fields of science, technology and engineering.

ii.   Findings of the CRM

791.   It is obvious that the government is the main actor in socio-economic development and has put a great deal of effort into delivering social development services in education, health, and the area of HIV and AIDS. In most cases, however, challenges still remain and are even growing, making it difficult for the country to tackle critical social development issues with a good level of effectiveness and efficiency.

Education

792. The CRM acknowledges the remarkable progress made in education, as outlined above. Relevant pieces of legislation are in place and the enrolment data showing gender parity is encouraging. South Africa has made great strides in widening educational opportunities to include previously disadvantaged groups, mainly black South Africans. Ultimately, the pursuit of education should serve to enlarge opportunities and empower people through skills development. However, the CRM noted that there are particular problems when it comes to the accessibility, costs and relevance of the education system.

793. Further investigation reveals that more effort is needed to:

- Increase access for underprivileged groups and learners with special needs;

- Completely transform the existing disenabling antisocial environment of schools, which are fast becoming breeding grounds for criminals and battlefields for many antisocial behaviours, including child abuse;

- Boost pass rates, especially in mathematics and science;

- Enhance affordability;

- Strengthen accountability of schools, especially in rural areas; and

- Increase access to higher education.

794. StatsSA's 2005 General Household Survey confirmed the finding that most primary learners do attend primary schools. Among the survey population group aged 7 to 15 years, only 2.1 per cent were not attending a school. This means about 98 per cent of that age group were enrolled in primary schools.

795. The enrolment data for primary education is clearly encouraging. The only concern here is that almost a third of the 2 per cent of learners who do not attend school stay away due to lack of funding. This is confirmed in the said Survey, which reports that among those aged 7 to 15 who are not attending school, 29.7 per cent cite reasons of having no money to pay school fees. Notably, South Africa does not have an explicit policy of universal free public education for all primary school learners. However, as stated by the Minister of Education during the CRM, in policy and practice, no child should be turned away from school due to lack of funding. According to the Department of Education, there are mechanisms in place to exempt under-resourced households from paying school fees. There are also over 9000 "no fee schools", which obtain that particular status by virtue of being in a community falling below a predetermined poverty index.

796. During provincial consultations, however, several stakeholders asserted that some schools have refused admission to children because of their inability to pay school fees. For a country whose development progress is being hindered by lack of skills, much more should be done to ensure that children and youth, regardless of financial status, are able to obtain at least a primary education.

797. To address this critical concern, many countries in Africa have established a policy of free primary education for all public schools. Stakeholder consultations in South Africa, however, revealed that some segments of the population would not favour such a policy, which they feel may compromise the quality of education in public schools. It is, therefore, important to establish that the preference for user fees comes from the members of society and not the government. The government, through an exemption policy, tries to ensure that all South Africans, regardless of their financial background, can attend primary school. Judging from the numbers that are not attending school due to financial constraints, it is clear that the exemption policy is not working effectively.

798. Since the policy of free primary education is not desirable for the said reasons of quality and some degree of exclusivity, the Department of Education urgently needs to address this problem by strengthening its monitoring of schools. It needs to establish a special monitoring unit at a decentralised level to ensure that no school is turning a child away due to lack of funding. It should even penalise schools that commit such acts that violate the Constitution. Clearly, some schools are not being held accountable by their communities or district and provincial authorities. This may be partly because they are not aware of the Education Complaints Office, or lack access to it. The relevant education authorities are also not doing their work well by not carefully monitoring schools within their jurisdictions and ensuring that these problems do not arise. The Department of Education needs to send a strong message to schools that non-compliance of user-fee exemptions will not be tolerated.

799. Additionally, some schools also remain physically inaccessible to learners. This came out strongly in the North-West, where stakeholders noted that some learners have to walk about 10 km to school. There are also some farm schools in poor conditions and in dire need of rehabilitation. This calls for greater development spending in education for the construction of new schools, rehabilitation, provision of school buses, etc.

800. Secondary schooling is not given much attention in the CSAR. However, the figures from the 2005 General Household Survey are not very encouraging for higher age groups, presumably enrolled in secondary and tertiary institutions. Between the ages 16 and 20, about 29 per cent were not attending any educational institution. For the 21 to 25 age group, 3806 out of a total of 4611 (about 83 per cent) were not attending any educational institution.

801. In South Africa, the Further Education and Training Act of 1998, the Education White Paper on Further Education and Training, and the National Strategy for Further Education and Training provide the basis for the development of secondary schooling and training

colleges. The higher female enrolment ratio compared to that of men in secondary schools is worthy of note. However, there are some gender disparities in subject choice. For instance, fewer females are enrolled for mathematics and science than males.

802. Funding of primary, secondary and tertiary education is still an area of concern. In primary schools, in particular, the bulk of resources from the central government is mainly used for salaries and recurrent costs at provincial and district levels. The Minister of Education informed the CRM that the government encourages provinces to use at least 15 per cent of the education budget for development expenditure. However, it was noted that not all provinces are conforming to this practice due to resource constraints. At tertiary level, bursaries are made available, but there are still many South African students unable to access a university due to lack of sufficient funding.

803. The CRM was impressed with the availability of higher educational institutions for adult education, but is of the opinion that more could be done by them to attract students. The 2005 General Household Survey indicates that 10 per cent of persons aged 20 years and above have no formal education and 88 per cent have not completed Grade 12. In particular, there is a need to address the high drop-out rate among students in tertiary education institutions. A large proportion of these students, especially black students, drop out every year, which represents a huge waste of resources. Box 6.1 presents some research findings on drop-out rates.

804. As indicated, efforts are being made by research institutions to investigate the causes of the high drop-out rates, which are causing massive financial losses to the state. Findings from the CRM consultations indicate that despite bursaries, students may not be able to absorb the costs of studying further. Financial constraint is a reason propagated by the South African Students Congress (SASCO). A more compelling factor could be inadequate academic preparation, so that some students struggle to cope with the demands of higher learning. The consolidation of universities with technicons (which provide training for students who are unable to enrol at a university) means that the bar has been raised for technicons. Subsequently, not all students are able to cope with the higher standards of technicons. HIV and AIDS have also been put forward as a reason by some academics, who point to the pressure on students to drop out in order to head their families where both parents have died. The attrition rates of some universities are shown in Table 6.3 on the next page.

805. There are also language barriers, as some courses are taught in a language some South Africans may not be conversant with. The issue of unemployment, which is a recurring theme in this Report, also has some roots in the school curriculum. The CRM confirmed that many young graduates cannot find jobs. Commendably, the government has realised that the curriculum needs to be revised to allow for entrepreneurship. To this end, vocational schools are being recapitalised. The government noted the lack of resilience in many institutions that resist these types of change.

Box 6.1: Tertiary Education and Drop-Out Rates in South Africa

The Human Sciences Research Council (HSRC) of South Africa conducted a research project on the high levels of black drop-out rates in tertiary education institutions. They found that, in 2000, a total of 120 000 students had enrolled in the country's public higher education institutions. At the end of that year, 36 000 (or 30 per cent) had dropped out. A further 24 000 dropped out between their second and third years. Of the remaining 50 per cent, less than half graduated within the intended three years' duration. Of these, the vast majority were black students. In financial terms, the high drop-out rate among students translates into a loss of about R4.5 billion in subsidies allocated to these institutions by the state.

In order to understand the underlying reasons for the high drop-out rates among black students, the Association for Black Empowerment in Higher Education (ABEHE) and the HSRC have entered into a joint partnership on a research project entitled "Addressing the High Failure Rate of Black South African Students in Higher Education". ABEHE and the HSRC are committed to studying and developing a deeper understanding of higher education retention rates, failure rates, pass rates, graduation rates and drop-out rates. The ultimate objective of the collaboration is to move black students, who are impoverished by virtue of their socio-economic background and poor schooling, from the second economy into the first economy through targeted efforts aimed at removing the barriers to their success in higher education study.

Source: Human Sciences Research Council (HSRC). Research Project on High Drop-Out Rate of Black Students. Media Release, 8 February 2006, www.hsrc.ac.za.

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806. The CRM observed that the Presidency has established a programme for graduate employment, with a target of establishing 400 centres of excellence in science and technology. Engineering, information and communication technology (ICT), mathematics, science, education, and health have been identified as priority subjects. Thirteen programmes have been rewritten and will be implemented in 2007. Clearly, the educational system needs to be contextualised to meet the skills demand from the labour market.

807. In general, the CRM commends South Africa for its efforts to broaden access to education for the majority of the population who were historically deprived of quality education. During the consultations, there was no major complaint about an insufficient number of teachers or qualified teachers. The key concerns pertained to access and affordability, despite pieces of legislation to make education compulsory and affordable. Alongside ongoing reforms to improve the relevance of the curriculum, the government, particularly at the provincial level, should take accountability measures seriously. The CRM suggests that provincial and district education officers should interact more often with schools, parent-teacher associations (PTAs) and communities to ensure that schools are not breaking the law by turning away learners who have inadequate financial resources.

Table 6.3: Attrition Rates in South Africa: Selected Universities

Universities	First-time un-dergraduates in 2000	Dropped out by 2004 (%)	Graduated by 2004 (%)	Not completed by 2004 (%)
Cape Town	3135	28	61	10
Free State	2035	38	46	16
North-West	971	61	27	13
Port Elizabeth	1172	37	49	13
Pretoria	4685	26	60	14
Rhodes	1340	31	67	2
Stellenbosch	3218	27	62	11
Western Cape	1979	48	36	16
Witwatersrand	2356	33	47	19

Source: Mail and Guardian, 2006. Shock Varsity Drop-Out Stats. 22 September.

Health

808.	The CRM noted that South Africa has several health policies, programmes and institutions for promoting adequate healthcare for the population. It was informed by the Department of Health that the government has broadened access to healthcare. There is a clinic in every community, and a programme for improving efficiency in the public health system is under way. The problem, according to the Department of Health, is about lack of proper training and regulation. In larger rural towns, decision making is extremely slow. Stakeholders agreed with this assertion and added that community clinics are unhygienic, poorly staffed and impose long waiting periods (sometimes days). Some clinic staff are discourteous to and unaccommodating of patients. Furthermore, community clinics are not always physically accessible. This came out particularly strongly in KwaZulu-Natal and the North-West. Stakeholders in the North-West added that three to four villages share one clinic among themselves.

809.	Stakeholders voiced concerns about having to travel long distances to clinics and at times finding them closed as early as 14:00. Clearly, having one clinic catering for an entire

community is inadequate. The community health policy is such that people should not have to walk more than 15 km to reach a clinic, which is still an overwhelming burden. The fact that ambulances are not readily available in rural communities compounds the problem. Some stakeholders claimed to have walked for several kilometres and sometimes directly to the clinic in order to request an ambulance.

810. The vast majority of South Africans do not have medical coverage. StatsSA estimated medical aid coverage at 14 per cent of the total population in 2005. South Africa has begun a debate on a national health insurance scheme, but this is at a preliminary stage. In the meantime, subsidised community clinics for primary healthcare are the only viable option. Nevertheless, the discontent with community clinics, as mentioned, cannot be ignored. The limited supply of drugs forces clinics to ration supplies to patients. It is therefore imperative that the Department of Health enhance community healthcare services. Stakeholders spoke positively of the "mobile clinics" that are able to penetrate the deep rural areas; however, they visit communities only once a month. Finally, the scarcity of health professionals resulting from the brain-drain came across quite strongly during the CRM. Efforts to mitigate these problems have been underlined in the CSAR's findings. The additional finding from the field is that mid-level medical officers are being trained.

811. Although healthcare remains a tremendous challenge, the government has taken the right measures to establish community clinics in rural areas. There were no major complaints from stakeholders about the affordability of drugs and medical care. The complaints mainly centred on access, quality of service and professionalism of health providers. The government would do well to attend to these concerns.

HIV and AIDS

812. South Africa has one of the highest rates of HIV infection in the world. Table 6.4 presents estimated adult HIV prevalence rates in the country. (More data on HIV and AIDS in South Africa are provided in Chapter Seven.)

Table 6.4: Estimated Adult HIV Prevalence Rates, 2001-2006 (%)

Categories	2001	2002	2003	2004	2005	2006
Women 20-64 years	14.7	15.4	16.1	16.7	17.2	17.8
Men 20-64 years	14.3	15.0	15.6	16.3	16.9	17.5
Adults 20-64 years	14.5	15.2	15.9	16.5	17.1	17.7

Source: Statistics South Africa, 2006. Mid-year population estimates, South Africa.
    Pretoria: StatsSA.

813. According to the government, the general approach towards HIV and AIDS is multi-sectoral in nature and involves research to identify vaccines and offering education on prevention. The government has adopted the ABC approach: Abstain, Be faithful, Condomise. Non-governmental organisations (NGOs) in particular are said to make significant contributions in terms of home-based care. The CRM learnt that there are currently 158 points for antiretroviral treatment, which go hand in hand with the distribution of food parcels for persons living with HIV and AIDS. Community development workers (CDWs) go door to door to identify the needs of these persons, particularly children orphaned due to the pandemic.

814. Orphaned children are often neglected in these situations. Some stakeholders confirmed that the issue of orphans, particularly those orphaned due to HIV and AIDS deaths, is of critical concern. With the exception of a dependency grant, there is no specific programme exclusive to these children. Child grants are provided, but there are no complementary skills development programmes. This is particularly critical in child-headed families. In the course of the CRM, the Minister of Social Development (during a three-day conference to assist children made vulnerable by HIV and AIDS) acknowledged that many households are headed by children and that the fight against the discrimination and stigma attached to such vulnerable children needs to be intensified. The National Association of Child Care Workers has taken a lead role in providing children under 18 with emotional support, as well teaching them to cook and take care of their siblings.

815. It emerged during the CRM that HIV is still viewed by many as a "women's problem". In addition, there continues to be some denial that HIV and AIDS is real, even among high-ranking public officials. It is clear that an attitudinal change is imperative. The CRM suggests that the government, NGOs and civil society in general should intensify their awareness and prevention campaigns. In particular, HIV and AIDS should continue to remain high on the national agenda.

816. There continues to be a major problem of stigma. Many people, out of fear of social stigma, prefer not to disclose their HIV status until they are critically ill. Moreover, the CRM found that antiretroviral drugs are not always readily available in community clinics. Those people who can afford them prefer to go to pharmacies. The poorer groups reportedly tend to receive the drugs when their health is in a more critical condition. In other words, clinics tend to disburse medication according to the patients' CD4 (T-cell) count, which is a key measure of the health of the immune system. HIV tends to reduce these cells that fight against infection and thus weakens a person's immune system. A lower T-cell count is therefore indicative of the severity of the disease.

817. Additionally, many young people lack the requisite identification documents (such as birth certificates) and therefore cannot receive antiretroviral drugs. This particular situation is complicated by the finding that some people collect the drugs and sell them to others, hence the need for identity documents. The CRM notes that the government has extensive antiretroviral programmes, but they remain inadequate to meet the demands of the increasing numbers of those in need of treatment. Stakeholders also complained that

the grant of R180 per month is withdrawn as soon as a person's health improves. Several stakeholders further expressed the need for decent homes for persons living with HIV and AIDS.

818. The pandemic of HIV and AIDS is complicated by the lack of reliable statistics. The Statistician-General confirmed that data collection in this sector remains a challenge. Causes of mortality are seldom attributed to HIV, as doctors are not mandated to put this on the death certificate. As such, the mortality rate for HIV-related deaths is often underestimated. This is a serious problem that needs to be addressed urgently. South Africa cannot afford to have questionable data on this pandemic, as it gives room for speculation and over- or underestimation of the pandemic. Indeed, medical practitioners should be mandated to indicate HIV as the main cause or contributing cause of a person's death. StatsSA has ranked tuberculosis, influenza and pneumonia as the leading causes of mortality in South Africa, but HIV and AIDS are strongly intertwined with all these diseases.

819. More collaborative efforts between the government, civil society and development partners are needed to tackle the HIV and AIDS pandemic. HIV workers at local level are asking for support, as they are able to reach areas that are often overlooked. These workers and CDWs should be utilised more effectively to care for persons living with HIV and AIDS.

820. There is a shift in government policy that will no doubt reassure not only South Africans generally, but also the international community. The CRM welcomes this development and hopes it will be extended to cover expansion in HIV testing and cut the rate of new infections.

821. Efforts to mitigate the impact of the pandemic should reinforce other health and development initiatives, notably the MDGs of eradicating extreme poverty; reducing the burden of disease; achieving universal primary education; ensuring gender equality; protecting the environment; and developing a global partnership for development.

iii. Recommendations

822. The APR Panel recommends that South Africa:

- Enforce accountability measures between schools, the government and communities by establishing a monitoring unit within the Department of Education. This also requires that the inspectorate at district and provincial levels be improved. [Government; PTAs; School Governing Boards; Communities]

- Develop a strategy for encouraging more, particularly female, enrolments in mathematics and science in secondary schools. [Government]

- Re-examine the cost of education to ensure wider and equitable access. [Government; Educational Institutions; Civil Society]

- Legislate the current practice of allocating 15 per cent of educational funding to development expenditure. [Government]

- Continue the reform of the education system, focusing on an integrated, coherent system that produces graduates with appropriate livelihood and entrepreneurial skills. [Government; Educational Institutions; Academics]

- Integrate skills training (such as carpentry and bricklaying) in primary and secondary schools. The Sector Education and Training Authorities (SETAs) must be strengthened in this regard. [Government; Educational Institutions; Academics]

- Through partnerships establish community colleges with practical courses, such as project management, finance, engineering, etc. [Government; Private Universities; NGOs]

- Improve teacher training colleges in order to enhance the quality of education. [Government; Educational Institutions]

- Improve access to tertiary institutions, while ensuring that there are no language barriers and there are adequate bursaries to help curb the high rates of drop-outs. [Government; Educational Institutions]

- Develop close collaboration between the Departments of Health, Social Welfare and Education, especially to assist children with special needs. [Government]

- Establish a programme for rehabilitating farm schools. [Government; Civil Society]

- Intensify efforts to build more community clinics and increase the frequency of mobile clinic visits to at least two a month. [Government]

- Regulate community clinics with more rigour to ensure improved performance by health staff. Mechanisms can also be put in place for client feedback on the quality of services. [NGOs; Civil Society; Government]

- Increase ambulance services to all communities. [Government]

- Empower health workers and CDWs to be more effective in assisting vulnerable groups and persons living with HIV and AIDS. [Government]

- Ensure that community clinics have an adequate supply of antiretroviral drugs. [Government; NGOs; Private Sector]

- Intensify awareness efforts to reduce the stigma attached to HIV and AIDS. This will help improve the quality of HIV statistics, as more people will feel comfortable disclosing their status. [Government; NGOs; Private Sector]

- Improve the reliability of HIV and AIDS data by mandating doctors to indicate HIV, where applicable, as an AIDS-related death. [Government]

Objective 4:	To Ensure Affordable Access to Water, Sanitation, Energy, Finance (Including Microfinance), Markets, ICT, Shelter and Land to All Citizens, Especially the Rural Poor

i.   Summary of the CSAR

Housing

823.   According to the CSAR, access to housing is a basic right under the Constitution. As part of the national initiative, Vision 2014, the government has committed itself to eliminating informal settlements by 2014. Between 1994 and 2005, more than 1.8 million houses serving 7 million people were built and over 2.4 million housing subsidies were made available, with 49 per cent provided to women.

824.   The government launched the Human Settlement Redevelopment Programme in 1999 to improve and develop urban environments. In recognition of the critical challenges faced in providing access to housing in South Africa, a Social Housing Policy has been adopted to ensure viable and robust housing developments.

Water

825.   South Africa has provided a free basic water ration since 2001. In 1994, an estimated 15.9 out of 40.4 million people did not have access to basic water services. By 2005, 92 per cent of South Africans had access to an improved water supply. Successes in getting water to people were helped by the construction of new infrastructure. Water delivery is in the process of becoming a task led entirely by municipalities.

826.   However, there is still much to be done to improve access to water. Many households still depend on unsafe sources such as dams, pools, stagnant water, rivers, streams and springs. The use of communal taps is high among African women users and results in valuable time lost in queues. Cost recovery for water has also been difficult to achieve.

Sanitation

827.   In 1994, 20.4 million people in South Africa were without sanitation facilities. By 2005, basic sanitation infrastructure had been provided to over 8.2 million people. The Department of Water Affairs and Forestry spent R3.4 billion on sanitation infrastructure between 1994 and 2004. At its January 2006 meeting, the Cabinet resolved to eliminate the bucket system in South Africa by the end of 2007.

828.   However, South Africa's progress with sanitation lags far behind water delivery. Sanitation conditions are worst in the Eastern Cape, followed by KwaZulu-Natal and Limpopo.

Sanitation services for black South Africans are worse than for any of the other population groups. The widespread use of pit latrines spreads diseases unless they are converted into ventilated improved pits. Extensive lack of sanitation facilities also leads to the contamination of water sources, creating a further problem for safe water provision. Moves are under way to accelerate delivery, but massive backlogs and expanding demand have overwhelmed delivery plans. Institutional inefficiency is also proving to be an obstacle to improving results.

Electricity

829. The government provides a free monthly allocation of electricity for all South Africans. Since 1994, when around 34 per cent of households were without electricity, over 435 000 homes have been electrified each year. There was a significant increase in the use of electricity between 1996 and 2001.

830. The current major challenges include electrification of rural areas, illegal access to the electrical infrastructure, inaccuracies in municipal billing systems and the national electricity generation capacity that has reached its limit. While most of these challenges appear to be related to distribution, sustained economic growth will challenge electricity generation capacity in the medium to long term. Despite serious health hazards, the use of paraffin and wood has been on the increase.

Telecommunications

831. Between 1996 and 2001, access to telephones improved dramatically while the use of cellular phones soared. South Africa has developed multi-purpose community centres (MPCCs) and telecentres to increase access to ICT, especially for the vulnerable. In addition, a single legal framework has been established for regulation and policy around convergent technologies.

832. Infrastructure for ICT is very diverse and well developed, with extensive coverage in the urban formal economy, but a much lower and basic presence in the rural informal economy. Compounding the problem is the relatively high cost of ICT in South Africa, which perpetuates the marginalisation of the poor. Internet use appears to have stabilised at around 4 per cent of the population, which is low by international standards. Skills retention is a major challenge for ICT development. The CSAR recognises that there is also a need for research into the relationship between gender and use of ICT.

Land

833. South Africa's Land Reform Programme has three dimensions: restitution, redistribution, and tenure reform. Restitution is aimed at people or communities dispossessed of land as a result of racial discrimination and provides restoration of such land, compensation, or both. Land redistribution is designed to increase equity in land distribution; enhance

income and food security; and strengthen employment and economic growth throughout South Africa. Tenure reform is focused on securing tenure in former homeland areas, former coloured areas, and in (formerly white) commercial farming areas. Gender considerations have been incorporated into the policies and programmes of all three elements.

834.   Under restitution, approximately 69 000 claims were lodged between 1994 and 1998 and over 36 000 claims were settled by 2005. Land is redistributed for agricultural development, settlement or non-agricultural enterprises. The aim is to ensure that 30 per cent of agricultural land is held by previously disadvantaged people within 15 years. Progress in this direction has been slow, since only 3 per cent of the agricultural land has been redistributed so far. (More on the land issue in Chapter Seven.)

Finance

835.   South Africa's micro-lending industry has grown from R1 billion in 1992 to R10 billion in 1999 and to R17 billion in 2005, which is just 5 per cent of the total South African credit industry. Despite its growth, the expansion of basic financial services remains a priority, as 11 million of South Africa's 27 million adults do not have access to a bank account. Microfinance needs seem greatest in house-based micro-enterprises that are integral to the survivalist strategies of the permanently unemployable, but submissions addressing access to finance for socio-economic development were scarce. The Mzansi Account initiative, launched in 2004 as part of the Financial Sector Charter process, pools the resources of eight large private sector banks to create an accessible, basic financial services product for the poor. Given the heavy social challenges of the legacy of apartheid, there is still a long way to go.

ii.   Findings of the CRM

836.   The CRM observed that the government has done very well in social service delivery and in some cases exceeded the set targets during the past 13 years. In all the areas visited by the CRM, there was widespread appreciation of the government's efforts to provide people with access to basic social services. Stakeholders agreed that tremendous progress had been made in providing people with access to housing, water, sanitation and electricity.

837.   The stakeholders stressed that the government has the right policies and programmes in place. In particular, they applauded the "indigent policy", which has allowed mass access to basic services within a short period of 13 years.

838.   The CRM observed that there was a justifiably high level of pride among stakeholders about their government's service provision record. People were proud that they could own homes, access portable water and use electricity and improved, ventilated pit latrines. Stakeholders were also proud of their Constitution, which guarantees a minimum level of access to basic social services for all South Africans.

Best Practice 16: Provision of Basic Needs in South Africa: The Case of Electricity

South Africa has made tremendous progress in supplying electricity to a large segment of the population that previously had no access to electricity. The government has far exceeded its target of providing 2.5 million homes with electricity by 2000, reaching over 4 million households. Since 1994, when about 34 per cent of households had no electricity, over 435 000 homes have been electrified each year. While some households still remain unserviced, the great advances made in providing millions of households with electricity within a period of 12 years undoubtedly represent a best practice that can serve as a lesson to other African countries.

Source: Hemson, D. & Donovan, M. 2006. Putting numbers to the scorecard: Presidential targets and the state of delivery. In Buhlungu, S., Daniel, J., Southhall, R. & Lutchman, J. (Eds.), South Africa 2005-2006: The State of the Nation. Cape Town: HSRC, pp. 19-21.

839. The impressive record of achievements in social provision within a short period of time points to significant progress made in the implementation of the social, economic and cultural rights enshrined in South Africa's Constitution. This is resulting in a generalised improvement in living standards in the country.

840. However, coming from a history of severe, racially inspired social segregation and deprivation before 1994, it is obvious that, despite the tremendous progress made in service provision at national level in the last 13 years, massive challenges still remain. In some places, especially in the former homelands, stakeholders raised some concerns about the availability and quality of services. The main challenges in these areas include a shortage of facilities in schools, clinics, hospitals, police stations and recreational centres.

Best Practice 17: Provision of Socio-Economic Rights in South Africa

South Africa is reputed to have one of the most progressive constitutions in the world. Unlike most other constitutions in Africa, the South African Constitution seeks to protect its people's socio-economic rights. This constitutional guarantee for socio-economic rights means that South Africa has a progressive social agenda that is being realised through rights-based provision. Some socio-economic rights are as directly enforceable as fundamental first-generation rights, such as the freedom of assembly. South Africa has gone further in taking legislative and other measures (within the limits of available resources) to achieve progress in realising these rights enshrined in the Constitution. For instance, the South African Human Rights Commission (SAHRC), an institution established by the Constitution to support democracy, is empowered to monitor progress on the measures various organs of the state are taking to realise the rights in the Bill of Rights concerning water, social security, education and the environment (s184(3)). This is a best practice, worthy of emulation by other African countries.

Source: APRM CRM compilation, July 2006.

Housing

841. There is strong commitment to tackle housing backlogs decisively and the various levels of South African government should be commended for that. For instance, Gauteng has a comprehensive community development programme involving investing R3 billion in 20 major townships to build better communities and upgrade local social and economic infrastructure, with social safety nets being a key component. However, according to stakeholders in KwaZulu-Natal, for example, community development programmes are often initiated in a "top-down" fashion with minimal participation from the community. According to the stakeholders, in many cases these top-down programmes are implemented by consultants, i.e. companies that have no stake in the welfare of the communities they purport to develop.

842. The CRM was informed of a growing housing backlog in nearly all the places visited. In Gauteng, for instance, the stakeholders stressed that increased migration and urbanisation have resulted in an insatiable demand for subsidised formal housing. With low levels of delivery, the backlogs may be growing even as delivery increases.

843. Based on discussions with stakeholders, the CRM noted that the main challenges in housing include accelerating housing provision to address the housing backlog, improving the quality of houses and acquiring land for building new houses. To its credit, the government has started to explore innovative, creative ways aimed at enhancing housing provision.

Water

844. Affordability of basic social services, especially of water and electricity, was another source of concern. In rural areas, particularly KwaZulu-Natal and Mpumalanga, stakeholders complained about the affordability of water, as many providers are private companies. Some municipalities hire private companies to manage water provision without having strong and effective monitoring systems in place. In other cases, stakeholders complained about a lack of water facilities, which left women and girls to walk several kilometres to fetch water from rivers. Abuses from subcontracted private companies were voiced during CRM discussions with stakeholders in different provinces.

Sanitation

845. Sanitation was found to be lagging far behind water service delivery. This was acknowledged in the CSAR and confirmed by stakeholders. The encouraging finding was the aggressive policy the government has embarked on to eradicate the bucket system by end 2007. However, unregulated informal human settlement and migration patterns pose a serious challenge to attaining this goal. The government also explained that progress with sanitation lags behind water supply because it requires behavioural changes.

846. The field consultations confirmed the findings in the CSAR in terms of concerns about poor service delivery at local government level. Stakeholders complained that many municipalities lacked the capacity to implement social programmes effectively and efficiently.

847. An interesting observation was the changing perception of stakeholders towards the role of the government in service provision. The CRM noted that people were beginning to realise that the government was not the only solution and that there was a limit to what it could achieve. Many stakeholders expressed the view that they wanted to build a South Africa that was not dependent on welfare.

Electricity

848. Stakeholders brought to the CRM's attention the fact that electricity continues to be expensive despite the portion of free allocation. As the CSAR observes, this may explain the rise in the use of paraffin, wood and other primitive forms of energy. Significantly, the CRM observed that, over the past few years, South Africa has moved from being a country with an energy surplus to one approaching deficit. Discussions with stakeholders suggest a steady increase in the demand for electricity. Not surprisingly, there are concerns about the country's capacity to generate sufficient electricity. Commendably, the government is developing a comprehensive energy strategy for meeting the country's growing energy demands.

Microfinance

849. The general observation from the CRM's interactions with stakeholders is that women and youth face difficulties in accessing credit facilities. It was also noted that even where adequate banking facilities exist, as in the Western Cape and Gauteng, the utilisation of credit services among women and youth is very low. The main reasons cited include:

- Lack of access to information;
- Lack of collateral;
- Poor credit history (blacklisting by the Credit Bureau); and
- Cumbersome banking procedures.

850 The CRM noted the paradoxical situation. As the CSAR indicates, South Africa has a well-developed financial sector. This suggests that more needs to be done to sensitise the microfinance sector, including initiatives like the Mzansi Account and the Umsobomvu Youth Fund, to the circumstances of women and youth.

Transport and Telecommunications

851. The CRM noted that the Department of Transport has various policies and programmes in place for public transportation. For instance, the principles of the National Land Transport Transition Act of 2000 spell out that public transportation must be affordable to the public

and responsive to consumer needs. The Act also advocates service quality and consumer safety. However, information derived from stakeholders and CRM observations indicates that the implementation of this policy is poor and public transportation is not fully meeting the needs of the second economy.

852. The conspicuous lack of an adequate, efficient, reliable and safe public transportation system is deplorable in a country which, as mentioned, inherited a solid infrastructural base. Congestion on South African roads is increasing every year and thousands of motorists are affected daily, especially those utilising the Ben Schoeman highway between Pretoria and Johannesburg. There are also simply not enough metro-buses for the vast population relying on public transport to commute to work. Urban stakeholders were concerned about the unregulated public transport sector and lack of security. In the rural provinces, stakeholders noted the poor quality of public transport. There were too few buses in rural areas and these had no time schedule. Stakeholders in rural areas further expressed concern about the general lack of access to ICT. Specifically, they noted the lack of telephones, which would be highly useful in the rural areas.

Land

853. The issue of land reform remains the major challenge and source of concern to most stakeholders. There was widespread awareness of the need for accelerated land reform in all the places the CRM visited. The general consensus was that land reform is progressing very slowly. To a certain extent, the seriousness of the land problem is reflected in the attacks against farmers.

854. The South African farming community has suffered intensified farm attacks for many years. While most victims were white farmers, attacks against black farmers and farm workers have also been recorded. The total number of ethno-European farmers in South Africa has been estimated at approximately 40 000 to 45 000, the majority of which are Afrikaners. Death tolls of up to 1700 have been cited in the media (July 2005). A report found that perpetrators tend to be young, unemployed black males.

855. During the discussions, many stakeholders acknowledged that the land issue was complex and required careful handling, especially political intervention. Several factors account for the slow place of land reform in South Africa. During CRM interactions with stakeholders, most were uncomfortable with the current principle of "willing seller, willing buyer".

856. The CRM was informed that the White Paper on South African Land Policy (1997) adopted the "willing seller, willing buyer" principle. Under this principle, the South African government does not have the right of first refusal. This means that no farmer is obliged to approach the government first to offer land for sale. The government simply has to find money and go to the open market like any ordinary buyer and purchase land when it is available for sale. The CRM feels that this policy has led to a situation where the government seems to have adopted a "hands-off approach" to land reform. Some concern was raised about corruption and other problems associated with the current principle.

857.   During meetings, many stakeholders stressed the need for a "change of track" in land reform, asserting that the struggle against apartheid was a struggle for land. Many said that land was the most important asset someone could have – the very essence of life.

858.   Admittedly, any ill-thought attempt to grab land in South Africa can adversely affect the thriving agricultural sector. The CRM feels there is a need for more effective and imaginative solutions to the land issue. As emphasised during consultations with stakeholders, attention should also be paid to capacitating black farmers.

859.   Many stakeholders were concerned that the government was not providing adequate support to aspiring black farmers by way of capital and skills development. In view of the brutal suppression of black initiative, skill and capital during colonialism and apartheid, the CRM supports the view that more needs to be done to capacitate aspiring black farmers. (More detail on the land issue is given in Chapter Seven.)

iii.   Recommendations

860.   The APR Panel recommends that South Africa:

- Improve and strengthen service delivery capacity at municipal and district levels to ensure effective delivery of basic services to people. This can be done by improving Project Consolidate and strengthening public finance management systems at all levels of government. [Government]

- Fully implement the National Land Transport Transition Act of 2000 and the Rural Transport Strategy for South Africa. [Government; Private Sector]

- Promote a culture of paying for basic services such as water, electricity and sewage services among the people, especially those who can afford them, to ensure sustainable provision of these services and lessen dependence. [Government; Civil Society]

- Improve and strengthen information dissemination on available social and other services, especially through the use of CDWs, in order to increase utilisation of available services among ordinary people. [Government; NGOs]

- Step up rural development, both to improve rural livelihoods and stem the tide of rural-urban migration. [Government]

- Explore innovative and creative ways of accelerating land reform in order to redress the current imbalances in land ownership, and ensure its equitable distribution and the achievement of the 30 per cent delivery target. [Government; CSOs]

Objective 5:	To Make Progress Towards Gender Equality in All Critical Areas of Concern, Including Equal Access to Education for All Girls at All Levels

i. Summary of the CSAR

Progress Towards Gender Equality

861.   According to the CSAR, the policies and mechanisms in place to promote gender equality include: the Constitution; Commission for Gender Equality; Women's Parliamentary Caucus; Joint Monitoring Committee on the Improvement of Quality of Life and Status for Women; Domestic Violence Act of 1998; and Choice on Termination of Pregnancy Act of 1996. Various gender forums exist within national and local government offices. There is also a Women's Development Foundation, which provides mentoring and support for women political leaders.

862.   The CSAR states that South Africa has signed several international standards and codes, including the Convention Against All Forms of Discrimination Against Women (CEDAW). Although women increasingly hold leadership positions in the public sector, their advancement to management positions still lags behind the private sector. South Africa intends to meet the goal of 50 per cent women in decision-making positions in public affairs as per the African Union's gender parity stipulation.

863.   The CSAR notes that South Africa has attained gender parity in primary and secondary education. In 2003, about 53 per cent of students in higher education were female.

ii. Findings of the CRM

864.   Clearly, South Africa has made significant progress in terms of promoting gender equality and the participation of women in decision-making positions. This is an issue of consensus among all stakeholders in South Africa, except perhaps in the private sector where women are still under-represented. Stakeholders noted that there are not many women contractors and not many women are involved in local government projects. The women tend to give the projects to their husbands instead of executing the projects themselves. There was some indication, particularly in the Western Cape, that women struggle to obtain mining permits. There is an association to assist women in mining, but it is reportedly weak and ineffective.

865.   The under-representation of women at local level and in the private sector also correlates with deeply rooted cultural discrimination against women despite efforts to promote gender equality at national level. As expressed in Chapter Three, the CRM is also concerned about the persisting violence against women, the underlying cause seemingly being the breakdown in social structure. In other words, many men were confined to the mines in the apartheid era, while women were able to obtain a basic education. Subsequently, the apartheid legacy leaves behind a social structure where many women perform better in

schools and are well integrated in the labour force. Men, on the other hand, have lacked the requisite support to deal with these changes. This has promoted extensive domestic violence in the country.

Best Practice 18: Promoting Gender Equality

In 2005, the first woman Deputy President was appointed in South Africa. Women constitute 45 per cent of Ministers and Deputy Ministers, and 33 per cent of the members of parliament, including the Speaker and Deputy Speaker. At provincial level, women constitute 35 per cent of the permanent members of the National Council of Provinces (NCOP), 32 per cent of members of provincial legislatures and 44 per cent of Premiers. Approximately 40 per cent of all local government councillors, 14 per cent of judges and 35 per cent of magistrates are women. Some 53 per cent of public servants are women. In the foreign service, 24 per cent are ambassadors and high commissioners. Some 24 per cent of the board members of SOEs are women and they also comprise 25 per cent of senior management positions.

Source: South African CSAR, 30 June 2006, page 53, para. 26.

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866. Social violence is also rooted in the years of oppression where peaceful protestations were not acknowledged as such and resulted in violent ramifications. For many young people in South Africa today, violence seems to be first resort for asserting oneself.

867. It came across quite clearly during the CRM that many cases of domestic violence go unreported or are struck off the court roll even when reported, because some women refuse to testify out of fear for their safety. Reportedly, police stations also present an intimidating environment that makes many women lose confidence. There is therefore a need for a more private way of reporting.

868. In the consultation with the House of Traditional Leaders in the North-West, the representatives emphasised that human rights are universal and full participation of women is required in all aspects of society. It was conveyed to the CRM that traditional leaders are currently undergoing training in issues pertaining to domestic violence. This was certainly an encouraging finding and a good practice worthy of emulation. The role of traditional leaders is crucial in promoting gender equality at the local level.

869. The CRM noted that violence starts early in schools. According to the government, safety officers are being placed in schools and there is ongoing public education to correct the mindset. There are specialised courts for dealing with violence against children and police are being sensitised on how to deal with these crimes.

iii. Recommendations

872. In addition to the recommendations made elsewhere in this Report on gender equality, especially in Chapter Three, the APR Panel recommends that South Africa:

- Address the under-representation of women in the private sector through proactive measures, including information, education, mentoring and other empowerment measures. [Government; Private Sector]

- Develop a fundamental change towards a more comprehensive, sustained approach to dealing with violence against women. This should be underscored by strong leadership at the topmost level of the government and at the provincial and local levels. [Government; CSOs; Traditional Rulers]

- Continue to address the negative effects of persisting traditional patriarchal systems and the disintegrating social (family) structure in a more comprehensive manner. [Presidency; CSOs]

- Develop cultural dialogue to educate people about violence, raise awareness, form coalitions and massively mobilise various segments of the population against all forms of violence. [Government; CSOs; Traditional Rulers]

- Create and improve mechanisms for preventing, monitoring and responding to the abuse of women and children. These may be special courts, a hotline or special desks in police stations. All South Africans are required to unite in solidarity to challenge traditions, practices and laws that harm women and children. [Government; Traditional Leaders; Civil Society]

- Develop real-time communication capability to support dialogue, consensus building and action among the government, private and civil society sectors in understanding the Bill of Rights and the Employment Equity Act of 1998. [Government; Private Sector; Traditional Leaders; Civil Society]

- Better integrate gender equality into the curriculum, especially at the lower levels of education. [Educational institutions; Government; Civil Society]

Objective 6:	To Encourage Broad-based Participation in Development

i. Summary of the CSAR

Mechanisms to Promote Broad-Based Participation

871. The CSAR highlights mechanisms in place to promote participation by stakeholders in the socio-economic development process. The basic and guiding principle is that broad participation promotes popular respect for laws, government development plans and their ownership, democratic stability, a sense of common nationhood and equality, and building of social compacts.

872. Mechanisms that South Africa has put in place include consultative and popular participation processes of the Imbizo initiative, which allows people to engage and interact

with government structures, particularly at local level; and agriculture, business, labour and other thematic advisory and working groups. The Growth and Development Summits are important instruments for promoting broad social participation and democratisation in socio-economic development at provincial level. At local level, participatory mechanisms include ward committees, community policing forums and MPCCs. Building social contacts through the Vuk'uzenzele mechanism is an important social participatory instrument. The IDP and the Rural Development Framework formulation and implementation processes imply participation by concerned people. Similarly, the 1994 Indigenous Knowledge System (IKS) Policy, which acknowledges the value and contribution of indigenous knowledge to national development, implies participation of those concerned indigenous.

873.   The CSAR emphasises, in particular, women's increasing role and active participation in the development socialisation process at the legislative as well as political policy-making levels in the country.

874.   There are still challenges to overcome, especially with regard to raising the awareness of some segments of the population, including CSOs or CBOs who may not have the required capacity, education or information to participate fully in socio-economic development processes. This may necessitate a comprehensive and integrated popular education and information strategy to capacitate people for their active, effective participation in the socio-economic development process through the use of the 11 national languages so as to facilitate communication and participation. There is also a need for sectoral or thematic programmes to be coordinated, consistent and cohesive, and for capacitating civil society as the people's watchdog and active development player. Finally, strengthening government and civil society collaborative partnerships is crucial.

ii.   Findings of the CRM

875.   In terms of legal, policy and institutional steps taken to ensure broad-based participation in development by all stakeholders at all levels, it should be recognised that South Africa has made tremendous effort in this direction. Its civil society is one of the most vibrant in Africa and this critical segment plays an active role in democratisation as well as socio-economic development.

876.   The CRM noted with appreciation South Africa's concerted effort to open discussions on most of the important development issues at all levels. People are able to voice their concerns and contribute to discussions on development issues. This was particularly evident to the CRM when it learnt about South Africa's preparation for the APR exercise. The preparations involved numerous Imbizo gatherings, thousands of submissions and huge participation at the CSAR validation meetings. Although the process was uneven in the provinces, the exercise was largely participatory. The participatory mechanisms put in place, albeit with some weaknesses, are adequate to address broad-based participation of all stakeholders in the socio-economic development process. However, these processes and the mechanisms involved need to be strengthened and, if possible, institutionalised.

877. With regard to political leadership, the CRM observed a very good sense and awareness of development responsibility, accountability and consensus building through regular outreach meetings and interaction with the population. In this respect, it is worth mentioning the existence of the House of Traditional Leaders at all levels as a recognised constitutional body, not only in deepening democracy, building peace and ensuring social harmony, but also in mobilising people for socio-economic development. The CRM meeting with representatives of the House of Traditional Leaders in the North-West confirmed this political and social function. This may be considered a best practice, but the role of the House of Traditional Leaders has to be strengthened and properly integrated into the development agenda.

878. Another best practice with regard to broad-based participation is the event of 18 August 2006, when the Constitutional Court ruled against an amendment that approved the altering of a provincial boundary. The justices asserted that provincial boundaries cannot be altered without adequately involving the public in these decisions. The province in question had not held the requisite public hearings or invited written submissions. This case is indeed historical, as it clearly demonstrates the high regard and seriousness with which the issue of inclusiveness in decision-making processes is held.

879. There is some concern about constraints to broad-based participation in decision making in South Africa. Despite the government's efforts, a number of critical segments of society are still unable, or less able, to participate fully in the country's development process. This is particularly true of rural communities, women, youth, and people with disabilities. The CRM noted a gap in the government's communication strategy aimed at educating people about available policy frameworks, operational programmes, ways to access, benefit or contribute, and their rights and privileges.

880. The CRM believes this is an area in need of a clear, strong partnership between the government and civil society. Collaborative and constructive partnerships between the government at all levels and critical segments of civil society seem to suffer from mutual suspicion in South Africa, in particular with regard to the media. There is also a need for better coordination among government structures dealing with such participation.

881. The CRM rightly observed that socio-economic development is a process that should be democratised. Enlarging the social basis for development will promote the democratisation of the development processes. It implies full democratisation of the four dimensions of society: political, economic, social and cultural. This is the main requirement for constituting a fully democratic order in a country.

882. The CRM commends the government's leadership and encourages it to continue to enhance these good and best practices. The dynamism of South Africa's civil society is also crucial, both as a socio-economic player and as a people's watchdog for the transformation of society and the building of South Africa's future. The CRM encourages civil society and business to strengthen their participation in the development process and its democratisation.

iii.   Recommendations

883.   The APR Panel recommends that South Africa:

- Continue to strengthen and enhance the good and best practices of social dialogue and people's participation in the socio-economic development process. [Government; Private Sector; Civil Society]

- Given the challenges that lie ahead in the process of structural transformation, build confidence and enhance partnerships between the government and other development stakeholders. [Government; Private Sector; Civil Society]

- Enable civil society to build its own capacity from within the country and its own development activities. Where necessary, the government should render support through financial and institutional capacity building in social service delivery. [Government; Civil Society]

- Reflect adopted standards and codes in national or provincial legal frameworks and disseminate these widely in the national languages. [National Assembly; Provincial Legislatures; Government]

- Foster political consensus building around development programmes and establish regular monitoring and reporting mechanisms within the country. [Government; Private Sector; CSOs]