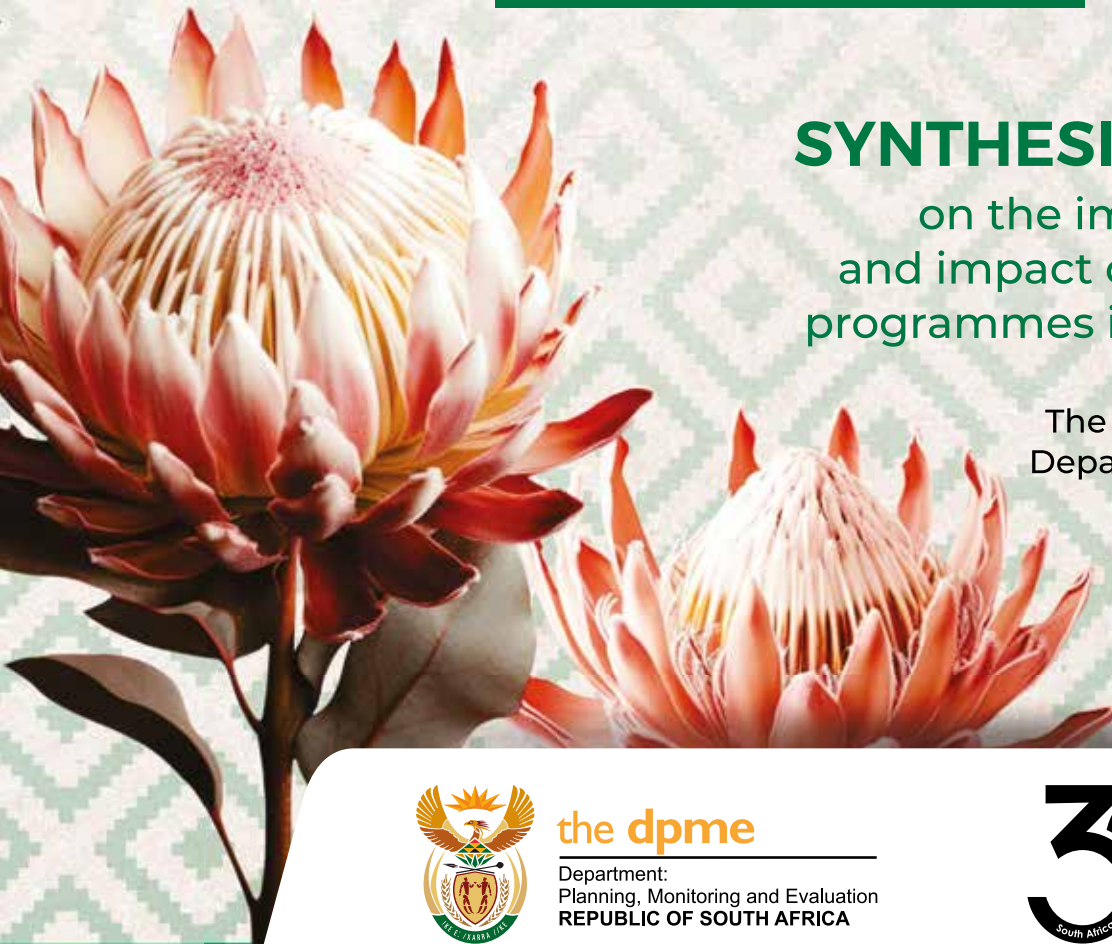TOWARDS A

3C *Year Review*

OF SOUTH AFRICA'S DEMOCRACY

(1994 - 2024)

SYNTHESIS REPORT

on the implementation and impact of government programmes in South Africa

The Presidency and the Department of Planning Monitoring and Evaluation (DPME)

APRIL 2024

the **dpme**
Department:
Planning, Monitoring and Evaluation
REPUBLIC OF SOUTH AFRICA

30 YEARS OF FREEDOM
South Africa 1994 - 2024

NDP 2030

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President
Matamela Cyril Ramaphosa

*President of the Republic
of South Africa*

In the State of the Nation Address on 8 February 2024, I reflected on the events of 1994 when millions of South Africans voted in a democratic election for the first time in their lives. The events of 1994 are engraved in South Africa's history, both as a decisive break with a difficult past and also as a beacon of hope in a divided world.

Today, South Africa is vastly different from what it was then. Material conditions of millions of ordinary people have changed for the better.

The Reconstruction and Development Programme (RDP), our inaugural strategy for fundamental transformation, and the 1996 Constitution of the Republic of South Africa, have shaped the orientation of government in implementing progressive policies and programmes over the 30 years of freedom and democracy.

The Constitution is a firm foundation for an inclusive polity, founded on values of human dignity, human rights, freedom, non-racialism, non-sexism, the rule of law, respect for national sovereignty, media freedom, and others.

From the onset of democracy, our key focus areas were to build a unitary, democratic state and merge the many pre-1994 apartheid provincial administrations, so-called independent Bantustan governments and institutions; to establish national government and democratic institutions; to shift the orientation of the public sector towards serving all citizens; and to repeal apartheid legislation to introduce progressive legislation aligned with democratic constitutional values and principles.

The adoption of the National Development Plan (NDP) in 2012 provided a clear development trajectory. The NDP has enabled us to renew our vision of the South Africa we all want by 2030 and continues to provide important yardsticks through which we assess our country's progress.

As we reflect on the country today, there is a lot we have achieved. Yet, there is much that remains to be done to truly realise the fundamental transformation that we envisaged at the onset of democracy. Our focus now is to enhance and improve our achievements and ensure that we leave no one behind.

The Census 2022 has revealed how much our country has changed. We have about 21.4 million more people in South Africa than we had in 1996. There have been major shifts due to migration patterns and immense potential in the youth population.

Government policies and programmes must embrace these important trends as we rethink economic growth strategies, infrastructure development, and the provision of social services such as schools, hospitals and healthcare centres, water and sanitation, human settlements and transport.

Despite the progress of the last 30 years, we require accelerated action to restore economic growth, increase employment and address a range of socio-economic challenges faced by citizens. That is why the focus of government is on energy, water,

crime and corruption, service delivery gaps and infrastructure maintenance, youth empowerment and employment, and reducing poverty and inequality.

South Africa's destiny is inextricably linked with that of other developing economies, particularly in Africa. Informed by this, we contribute immensely to solving shared global challenges.

South Africa has made important contributions towards shaping international frameworks for development and integrating them in our own development plans. Our contribution can also be seen in our advocacy for human rights; support for peace and security initiatives; collaboration on scientific research, environmental sustainability and human health; as well as the ongoing efforts to reform multilateral institutions.

Our various accomplishments in the international arena inspire a great deal of pride among South Africans – be it in sports, arts and culture; scientific excellence and innovation; entrepreneurship and commercial brands; leadership in international institutions; human rights advocacy; peace and security; and others.

We are preparing for our seventh democratic elections for national and provincial government. Our record in conducting peaceful, free and fair elections continues to strengthen our national identity and provides a clear indicator of the vigour of our democracy.

This 30 Year Review provides a detailed and critical examination of our democratic journey so far. It also provides an important guide for the work we must now undertake to build a truly united, free and equal society.

Matamela Cyril Ramaphosa
President of the Republic of South Africa

PREFACE
by the Minister

Ms. Maropene Ramokgopa

Honourable Minister in the Presidency for Planning, Monitoring and Evaluation

In April 2024, South Africa marks 30 years since the onset of freedom and democracy in 1994. To commemorate this milestone, the South African government, led by the Department of Planning, Monitoring and Evaluation (DPME), has conducted a *30-Year Review of South Africa's Democracy 1994-2024*. This is the fifth review conducted since the advent of democracy and is aimed at fostering national reflection on the journey thus far and drawing lessons to inform a roadmap for South Africa's future.

The 30-Year Review Report presents the government's assessment of progress since the transition to democratic governance – by reflecting on the extent to which government policies and programmes have succeeded in improving the quality of livelihoods for citizens and delivering on the promise of a better life for all. The Review Report forms part of a wider set of activities aimed at commemorating the 30 Years of Freedom and Democracy in South Africa including additional publications, public engagements, and commemoration events as well as the implementation of a communications strategy by government departments, agencies, and public sector officials and leaders.

The 30-Year Review Report should be read in conjunction with the South African National Census Report of 2022, the 10-Year Review of the National Development Plan (NDP), and the series of past Review Reports conducted by DPME i.e. the 10-Year, 15-Year, 20-Year, and 25-Year review reports, amongst others. To promote public accessibility and engagement, the Review Report has been summarised into a popular version for distribution online and at public facilities.

Over three decades, the government has been at the centre of socio-economic transformation through the implementation of progressive policies and programmes targeted at improving the economy, society, governance, and international relations. Throughout the democratic dispensation, the government has made significant strides in meeting the basic daily needs of millions of households. From 1994 to 2022, 13,7 million people (close to a quarter of the population) are beneficiaries of various social housing programmes – an unprecedented scale globally. The social housing programmes together with mass electrification, starting with Phase 1 of the National Electrification Programme (1994-1999) extended electricity access to 2,5 million households and public facilities contributing to over 80% of households with access to electricity, piped water, and sanitation by 2022.

The Clinic Building and Upgrading Programme and the provision of free Primary Health Care; as well as the Integrated Nutrition Programme, are amongst the important building blocks for human development that the South African government continues to advance. Indeed, these advancements reflect the progressive realisation of socio-economic rights envisaged in Chapter 2 of the Constitution and contributed immensely to reducing poverty as indicated by gradual improvement on the Multidimensional Poverty Index.

The needs of society have evolved with the maturing of our democracy and state of development. The government has established the infrastructure needed to meet the basic provisions of citizens by ensuring the accessibility, continuity, reliability, affordability, modernization, and quality of all services. In turn, the government expects an engaged and responsible citizenry.

As we celebrate the progress made, we also acknowledge the range of challenges associated with a growing democracy such as South Africa which include but are not limited to:

- The economy is performing below its full potential.

- The level of unemployment is high.

- The poverty levels are persistent in pockets of broader society.

- The inequality levels are stubbornly high and racially biased.

- The human development gains made are under threat due to the challenges of energy and water security.

- The gaps in service delivery compromise the quality of services and impact the most vulnerable in society.

To effectively address these challenges, we must invest in strengthening state capacity and fostering active citizenry and social partnerships to build greater determination towards developing South Africa. Therefore, we anticipate the Review Report to propel civil society, organized labour, the private sector, multilateral forums, and broader society to reflect on the 30 years of freedom and democracy by producing their assessments and recommendations as well as engaging in public commentary. The 30-Year Review is necessary for the government and broader society to generate critical lessons and recommendations that will inform the next administration towards the 2030 vision, and the broader long-term planning of the country.

I thank all the departments, provinces, institutions, agencies, and researchers that contributed to the production of the 30-Year Review.

South Africa, we have a good story to tell.

Maropene Ramokgopa
Minister in the Presidency for Planning, Monitoring and Evaluation

CHAPTER 1:

INTRODUCTION AND OVERVIEW

SOUTH AFRICA'S DEMOCRATIC TRANSITION

The first democratic elections on 27 April 1994 heralded a new era in South Africa's history, where South Africans of all races, genders and creeds voted democratically; this period continues to symbolise a country's decisive break with its brutal past of colonisation and apartheid.

The events of 1994 culminate a long history of struggle, sacrifice, and solidarity for liberation by South Africans and millions worldwide. Domestic and international pressure led to the dismantling of the apartheid system and the commencement of the transition towards the democratic system we have today.[1]

Adopting the final Constitution of the Republic of South Africa, Act No. 07 of 1996 ("the Constitution") laid a foundation for an inclusive polity founded on human dignity, human rights, freedom, non-racialism, non-sexism, and the rule of law.

The seminal Reconstruction and Development Programme (RDP) was introduced in 1994 as a strategy for fundamental transformation to undo the combined effect of past exclusionary policies.[2] Its five interconnected objectives were to meet basic needs, build the economy, democratise the state and society, and develop human resources and nation-building. The core of these RDP objectives remain relevant and has found fresh expressions in the policy priorities of all the six post-1994 administrations. Such priorities are contained in major policies and strategies in all broad focus areas: governance, society, economy, safety, security, and international affairs. Examples of major policy strategies include the Growth, Employment and Redistribution (GEAR) strategy in 1996; the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) in 2006; the New Growth Path (NGP) in 2010 and the National Development Plan (NDP) in 2012 as well as its 5-yearly Medium-Term Strategic Framework documents (MTSFs).

The Bill of Rights in chapter 2 of the Constitution forms a cornerstone for societal transformation and deepening democracy by guaranteeing certain civil, political, and economic rights that have defined a new social order that provides the democratic values of dignity, equality, and freedom. The Constitution envisioned the progressive realisation of socio-economic rights, placing responsibility on the government to deliver on them, namely adequate housing, food, water, basic education, health care, social security, and a healthy environment – which are all tenets for achieving "a better life for all".

The National Development Plan (NDP) Vision 2030 was adopted in 2012 to pursue these ideals of achieving a decent standard of living. The NDP defines a long-term development plan for the country, targeting halving unemployment, eradicating poverty, and reducing inequality by 2030.

These high-level NDP goals and their objectives are coherent with key international frameworks for development, the United Nations' 2030 Agenda for Sustainable Development (SDGs), the African Union Agenda 2063 and the Southern African Development Community (SADC) Regional Indicative Strategic Development Plan (RISDP 2020-30).[3]

The general orientation of government priorities has evolved to reflect the state of developmental change and the shifting context. The major focus of government in the first decade of democracy (1994-2004) was to establish democratic institutions, drive fundamental transformation through the RDP, foster reconciliation and nation-building, reintegrate the country internationally, build a unitary state and form a "New South Africa" identity supported by new symbols such as the South African flag, national anthem, the coat of arms, etc. In the second decade of democracy (2004-2014), the focus shifted towards sustaining the gains and enhancing government performance to accelerate development. In the third decade (2014-2024), the focus has been to consolidate the gains of democracy in pursuing the NDP Vision 2030.

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[1] Transitional arrangements include the unbanning of liberation movements, the release of political prisoners, the multi-party negotiating process, the 1993 Interim Constitution; the Government of National Unity, etc.

[2] Government Gazette Notice No. 1954 of 1994: The White Paper on Reconstruction and Development (15 November 1994)

[3] 2019 South Africa Voluntary National Review on SDGs 2019); National Planning Commission (2020); Stats SA (2023) Sustainable Development Goals Country Report 2023

SYNTHESIS REPORT

Figure 1: Orientation of government priorities in the three decades of democracy

1994 — 1 — 2004	**2004 — 2 — 2014**	**2014 — 3 — 2024**
1st DECADE OF DEMOCRACY	**2nd DECADE OF DEMOCRACY**	**3rd DECADE OF DEMOCRACY**
· Build a unitary state and establish democratic institutions · Reconstruction and Development · Reconciliation, national identity and nation building · Reintegration Internationally	· Grow the economy · Promote economic and social inclusion · Enhance government performance to accelerate development · Build international relations & Africa renewal	· Strengthening the capacity of the state · Consolidate gains towards NDP 2030 Vision · Address development backlogs · Attend to common global challenges

There is considerable consistency regarding the overriding national aspirations among South Africans in terms of the "South Africa We Want" – on the broad strokes such as a capable state, growing economy, employment, economic opportunity and inclusion, political stability and peace, safety, and security; human development encompassing health, education, access to basic services, etc. and global positioning. Table 1 provides the approximation of the country's aspirations drawing from the NDP, the existing long-term plan, and the MTSF (2019-2024), which presents the key priorities of the 6th democratic administration. Provincial priorities are consistent with these national priorities.

Table 1: Priorities of the National Development Plan and the MTSF 2019-2024

MTSF 2019-2024 Priorities	NDP thematic areas of objectives
Priority 1: Capable, Ethical and Developmental State	· Democratising the state and society · Fighting corruption · Strengthening local government · Human resources and skills development · Improved performance management & reward systems
Priority 2: Economic transformation and job creation	· Economy and Employment · Infrastructure development · Integrated and inclusive rural and township economy
Priority 3: Education, skills, and health	· Improving education, training, and innovation · Health care for all
Priority 4: Consolidating the social wage through reliable and quality basic services	· Social protection
Priority 5: Spatial integration, human settlements, and local government	· Transforming human settlements and the national space economy · Promote integrated communities and access to social and economic services
Priority 6: Social cohesion and safe communities	· Building safer communities · Transforming society and uniting the country
Priority 7: A better Africa and world	· Positioning South Africa in the world
Priority 8: Cross-cutting themes	· Inclusive society (gender, women, youth, and persons with disabilities) · Environmental sustainability

WHAT DID THE DEMOCRATIC GOVERNMENT INHERIT IN 1994?

At the dawn of democracy, South African society was deeply divided along social, political, economic, and spatial lines. The country was isolated from the global community and excluded from almost all progressive multilateral institutions and international agendas. The government inherited a plethora of discriminatory laws and practices against Blacks (inclusive of Africans, Coloureds, and Indians). Official statistics were incomplete, deliberately leaving out large population sections and thus distorting the demography.[4]

While the formal apartheid institutional architecture began crumbling by the late 1980s, its essence remained in 1994.[5] The RDP correctly anticipated a long and arduous process to undo the deep-rooted consequences of three centuries of colonisation and the long history of repression. For instance, the 1913 Natives Land Act caused widespread racially-based dispossession of land ownership rights, such that over 3.5 million people were forcibly removed from their land, resulting in Whites owning 87% and blacks the remaining 13% of the land. The passing of laws, the creation of Bantustans, and the migrant labour system seriously disrupted family life. The way people interacted across races reflected the remnants of statutes that have permeated society. To name a few, the Representation of Natives Act of 1936, the Group Areas Act of 1959, the Job Reservation Act of 1951, the Promotion of Bantu Self-Government Act of 1959, and the Native Administrative Act of 1927 which relegated women to legal minors unable to represent themselves without a male guardian. All these, and other laws and policies, conspired to create inequities in the social system, leaving Black people trapped in poverty, with limited access to education, economic opportunities, asset ownership, health care and significant gaps in welfare services. Another aspect of this societal correction was that the ten Bantustans, which existed as homelands and self-governing territories, had to be amalgamated into one South African nation.

Our country also had to work through its history of human rights abuses. Critical moments in that history include, among others, the 1955 adoption of the Freedom Charter, which gave a glimpse of a future South Africa, the 1960 Sharpeville massacre, the 1962 United Nations General Assembly (UNGA) resolution condemning South Africa and the 1976 Soweto uprising. In the years leading up to 1994, there was the unbanning of the liberation movements in 1990, recognition of 'African' trade unions and their mobilisation, the release of political prisoners, and the peaceful return of exiled South Africans. Mr Nelson Mandela's release from prison in 1990 and his eventual inauguration as the first democratic President captured the attention and hope of people worldwide. However, there were episodes of serious violence where the country often teetered on the brink of civil war but managed to pull through.[6]

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4 Zuberi et al. (2005) The demography of South Africa. M E Sharpe Inc.
5 Ten Year Review; Thompson, L. (2000) A history of South Africa 3rd edition. Yale University Press.
6 Examples include political violence in Gauteng and KwaZulu-Natal between 1990-1994; the 1993 assassination of Mr. Chris Hani; covert action by members of police and security system; appetite for armed struggle by disgruntled guerrillas, etc.

Figure 2: Map of the pre-1994 South Africa and Bantustans

Source: South African History Online (SAHO), 28 November 2023

Some intractable consequences of what the democratic government inherited include:[7]

- Racial spatial settlement patterns, with Black people mainly in rural areas and large-scale informal settlements surrounding urban areas.

- Fragmented governance, with separate legal and administrative systems, fragmented army and police force, etc. and the lasting impact and legacy of the tricameral Parliament.

- Public service was dominated by white male personnel, and this needed to be transformed to reflect the composition of South Africa's people.

- Large-scale racial bias in resource allocation and the provision of government social programmes such as education, health, welfare services, and basic services such as electricity, water, and sanitation: unequal access to services created vast disparities in human development outcomes.

- A highly polarised society with disregard for African spirituality, culture, tradition, identity, and values whilst heavily promoting Western values.

- Global isolation, with polarised diplomatic relations, limited participation in global economic affairs, exclusion from international sports and cultural activities, and a business sector unable to compete in global markets.

- Stagnant economic growth, with a four-year depression up to 1989, in a decade of 1.2% average GDP growth, and rampant public sector debt.

- Broad unequal access to economic opportunities such as capital accumulation, land ownership, jobs, and education.

- A highly concentrated economy, with large dominant firms in critical sectors, three economic hubs in Gauteng, Cape Town, and Durban, and unequal access to economic opportunity.

- Inter-generational trauma reflects a nation wounded by, among others, gross human and civil rights violations and the associated illegitimacy and poor oversight by the police and the justice systems.

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[7]   Previous reviews provide a detailed account of the consequences of the Apartheid system.

The democratic government also inherited specific capabilities to take forward. These include the industrial capabilities centred around the mining and energy sectors, agriculture, manufacturing, and the financial and banking systems. There were also large state-owned enterprises (SOEs) in critical utilities and transport infrastructure of ports, rail, and major road networks. The economy had primarily been resource-dominated. The country also had well-established universities, training colleges, and scientific and research capabilities, particularly in fuels and petrochemicals. The defence sector was well stocked and included nuclear weaponry. The democratic government inherited an engaged, activist civil society and non-governmental sector (NGOs). Critical international solidarity networks had been built on the backs of exiled South Africans.

METHODOLOGY AND DELIMITATIONS

The chapters of the 30-Year Review are based on the objectives of the National Development Plan (NDP) Vision 2030, which is an existing long-term plan for the country, as well as the Medium-Term Strategic Framework (MTSF 2019-2024), which reflects the priorities of the 6th administration. The themes covered are by no means exhaustive. This approach has assisted in directing the research effort and organising the presentation of findings and recommendations. Each theme addresses the same set of questions about change and transformation.

The 30-Year Review builds on similar previous reviews that the government has produced – at ten, fifteen, twenty, and twenty-five years – to provide an account of significant milestones.[8] It builds on other key government reports such as the Population Census, Development Indicators, 10-Year Review of the National Development Plan (NDP), etc., and other evidence sources in the public, private, and international institutions.

Figure 3: Review key questions and process

REVIEW QUESTIONS:

| What did the democratic South Africa inherit in 1994? | What have been the commitments made trough policies, legislation and programmes? | What have been the national aspirations? | What have been the major milestones, achievements and contexts? | What are the recommended strategic thrusts towards Vision 2030 and beyond? |

PROCESS FOR THE PREPARATION OF THE REVIEW:

DPME developed a Concept Document → Consultations with GSCID cluster and FOSAD and a range of other platforms → Research and writing process led by DPME/NPC Chapter Leaders supported by technical working groups (TWGs)

Sourcing of evidence from identified sources, contributions by departmens, provinces and entities → Validation workshops and roundtables with stakeholder groups → External review and critical reading by experts from the research community

Consolidation and finalisation of chapters → Launch, dissemination of report, engagements with communities

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8   This refers to the reviews produced by the Presidency and the Department of Planning, Monitoring and Evaluation (DPME) at ten, fifteen, twenty, and twenty-five years. [Insert hyperlinks for the reviews]

Figure 4: Key themes addressed by the 30-Year Review

Building a capable, ethical and developmental state	Local government and traditional leadership	Economic progress, transformation and employment	Human capital, innovation and achieving competitiveness	Nation-building and social cohesion
Inclusive society (women, youth and persons with disabilities)	Better quality health for all	Poverty reduction and social wage	Land reform and rural development	Transforming human settlements and the national space economy
Building safer communities	Climate change and the environment	South Africa in the region and the world		

CONTEXTUAL MATTERS

A multifaceted mix of domestic and global factors actively influence the policy environment and development outcomes, each with varying degrees of impact. This includes the changing demographic makeup and a range of megatrends affecting development, such as the youth bulge, the expanding labour force, drivers of economic growth, the pace of economic empowerment and redress, globalisation and its related events, technological change, shifting societal needs and attitudes, and the role of non-state actors.[9]

A changed demographic makeup and migration

Since 1994, significant demographic changes have taken place in South Africa. The total population has grown from 40.6 million people in 1996 to 62 million in 2022. Provincial distributions have shifted, primarily driven by inter-provincial migration to urban centres and immigration from top sending countries, namely Zimbabwe, Mozambique, Lesotho, Malawi, and the United Kingdom. About 50% of the population lives in the largest 17 urban centres nationwide. The number of households has almost doubled, from 9.1 million in 1996 to 17.8 million in 2022, while the average size of households has decreased from 6.2 in 1995 to 3.5 in 2022.

As with global trends, people have been moving to urban areas for economic opportunities, better education, superior infrastructure, and health care. Gauteng is now the most populous province, with 24% of the country's population, overtaking Kwazulu-Natal, which now has 20%. The Western Cape is the third most populous province, with 12% of the population. The majority of the population (56%) is concentrated in these three provinces, with the other six provinces comprising 44% of the population. As more people move to cities, they need somewhere to live, and informal settlements have grown in size and number. This rapid urbanisation has created a need for more schools, hospitals, clinics, and general infrastructure. In some instances, human settlement undermined spatial development policy intents. Significant coverage gaps were revealed at the height of COVID-19, indicating dire vulnerabilities among poorer households, urban informal settlements, and those in rural areas.[10]

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[9]   Indlulamithi – South Africa Scenarios 2035; Dinokeng Scenarios 2009; WEF Global Risk Report 2024; Economic transformation, inclusive growth, and competitiveness: A contribution towards a growth agenda for the South African economy (National Treasury, 2020)
[10] DPME (2022) Covid-19 Country Report.

Figure 5: The changed demographic makeup

	1996	2022
Total population	40,6 million	62 million
By sex	51,9% Female and 48,1% Male	51,5% Female and 48,5% Male
By race	Black 76,7%; Coloured 8,9%; White 10,9%; Indian/Asian 2,6%; Unspecified 0,9%	Black 81,4%; Coloured 8,1%; White 7,3%; Indian/Asian 2,7%
Median age	23 years	28 years
No. of households	9.1 million	17,8 million
Avg. household size	6,2 (1995)	3,5

Population by Province Census 1996-2022

Census 2011 showed **GP overtook KZN** to become the largest population centre

WC is the 3rd most populated province, moving from 5th spot in 1996 to 3rd in 2022

	1996	2001	2011	2022
KZN	5M	10M	12M	15,1M
GP	8M	9M	10M	12,4M
EC	6M	6M	7M	7,4M
LP	5M	5M	6M	7,2M
WC	4M	5M	5M	6,4M
MP	3M	3M	4M	5,1M
NW	3M	3M	4M	3,8M
FS	3M	3M	3M	3,0M
NC	1M	1M	1M	1.4M

Proportion of population

	1996	2022
Children (0-14 years)	33.9%	26.4%
Youth (15-34 years)	36.2%	34.8%
Adults (35-59 years)	21.6%	29.0%
Elderly (60+ years)	6.9%	9.8%
Other (unspecified)	1.2%	0.0%

Sources: Stats SA Census 2022

Figure 6: Megatrends impacting on development

A changed demographic makeup and migration	The youth bulge	Expanded labour force	Pace of economic redress and empowerment
Cost of crime and corruption	Drivers of economic growth	Globalisation, COVID-19 and the polycrises	Changing societal needs and attitudes
Social unrest and serious crime	Technological changes	Role of non-state actors	Domestic and regional fiscal sustainability

Megatrends impacting development

- **The potential of the youth population:** Youth (15-34 years) constitute 34,8% of South Africa's population. The median age has increased to 28 years in 2022 but remained below the global median age of over 30 years in 2022. This represents immense potential for demographic dividends, provided relevant age cohorts are engaged in economic activities.

- **Expanded labour market:** South Africa's labour force grew from 11,3 million in 1994 to 28,3 million in 2023. The labour force and employment composition in terms of race, gender and age have altered considerably. Total employment grew from 8,9 million in 1994 to 16,7 million in 2023 but this has been insufficient to offset the commensurate increases in unemployment.[11]

- **The pace of economic redress and empowerment:** Policies for economic redress, such as affirmative action and the broad-based black economic empowerment (B-BBEE), have made substantial inroads, but their overall results remain inadequate, as attested by crucial indicators such as ownership of productive land, income inequality, corporate ownership and control of large firms and performance on sector transformation targets. All these metrics indicate that much remains to be done to transform the economy and wealth distribution.

- **Drivers of economic growth:** South Africa's long-term GDP growth (1994 to 2022) averaged 2,4%, underperformance relative to policy targets of successive economic growth strategies. Real GDP per capita growth has regressed, partly due to the population growing faster than the GDP. The economy's structure has shifted, with a decline in manufacturing contribution to GDP and an increase in the contribution of services such as financial services and tourism, as well as new industries such as global business services. Well-known structural constraints hamper the achievement of potential growth: minerals-dominated exports, economic concentration, inefficiencies in network industries, inadequate levels of technological innovation and skills, low manufacturing export competitiveness, energy and water shortages, delays in infrastructure development, and vulnerability to global shocks.[12] Since the Covid pandemic, the imperatives are now to achieve economic recovery supported by more resilient policy instruments.

- **Globalisation, COVID-19 and the polycrisis:** South Africa's global reintegration in the 1990s coincided with the accelerating pace of globalisation, presenting both opportunities and risks. Over time, South Africa has proven susceptible to major global shocks like the Asian crisis of 1997, the commodity supercycle of 2006, the global financial crisis of 2008/2009, and the COVID-19 pandemic of 2020. Relative country progress on SDGs reflects where the country is on course and where it is lagging.[13] Increased interconnectedness enables global shocks to spread more quickly, and the current

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11   StatsSA QLFS Q3 2023; Previous Reviews
12   Economic transformation, inclusive growth, and competitiveness: A contribution towards a growth agenda for the South African economy (National Treasury, 2020);
13   https://sdgpush-insights.undp.org/reports/zaf#sdg-priorities
14   https://www.weforum.org/agenda/2023/03/polycrisis-adam-tooze-historian-explains/

confluence of multiple crises presents a greater need for coordination and solidarity across countries and regions.[14] Climate change has become one of the planet's most significant risks due to its far-re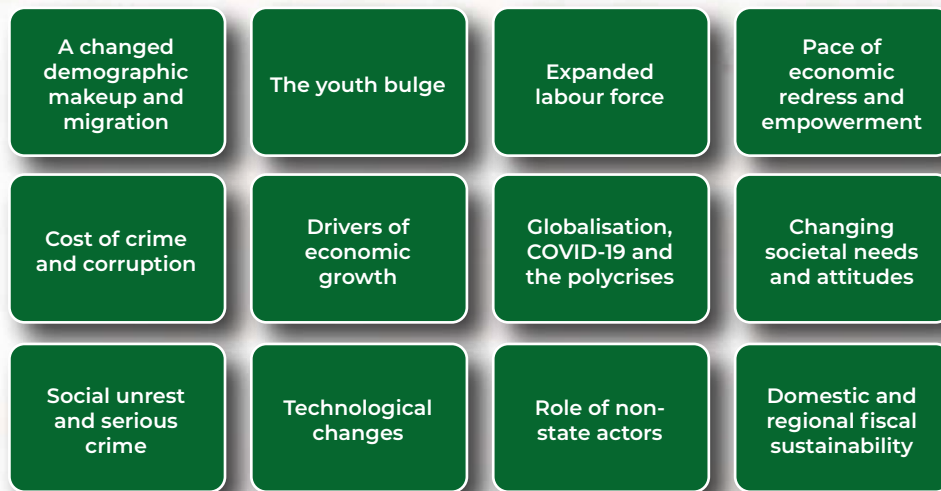aching and interconnected impact on ecosystems, societies, economies, and global stability. More resilient policies and systems are needed to withstand the shocks and minimise their negative impact.[15],[16] Current megatrends most relevant to South Africa include the sluggish global economic growth, geopolitical tensions, the shifts in global economic and technological power, and the potential associated with the African Continental Free Trade Area (AfCFTA) and the BRICS+.

- **Changing societal needs and attitudes:** South Africa today is vastly different from what it was in the 1990s, where basic services were out of reach for millions of households. The needs of society have shifted in line with the state of development. Beyond what has been achieved to date, citizens expect government to continually close service delivery infrastructure coverage gaps in line with shifting demographics while also upgrading the service standards to the next level. Citizens expect government to increasingly use modern technology to improve efficiency, and to ensure continuity, reliability, affordability and quality of service delivery through modernisation, better connectivity, digitalisation, and smart technologies.[17, 18, 19, 20] The discourse on inclusion and tolerance in SA have increasingly incorporated the LGBTQI+ community (i.e. lesbian, gay, bisexual, transgender, queer, intersex, asexual and others).[21] The trend of declining public trust in governing institutions, political parties, and other institutions requires greater attention.[22] There have also been continual shifts in political party representation in the national, provincial, and local legislatures over time, providing important lessons about the functioning and maturity of democracy, especially the functioning of coalition governments. Drivers of voter apathy as well as the motivations of new generations of voters must be better understood. There has been growing reliance on social media and incidents of automated generation of mis-and dis-information. Social unrest and violence and episodes of racism and xenophobia tend to take centre stage from time to time, presenting major policy challenges.[23]

- **Acceleration of technological changes:** New waves of scientific advances continue to have a transformative impact on societal and economic systems and are a key driver of global social changes, including technology use, human health, migration, and cost of living, and have significant implications for global inequality, international security including cybersecurity, energy challenges and climate change. [24, 25] Frontiers include the Fourth Industrial Revolution (4IR) and 5th Generation (5G) wireless technology, digital identities, Artificial Intelligence (AI), robotics & supercomputing, biotech and nanotechnology, medical innovations, electric vehicles and battery-powering technology.

- **Role of non-state actors:** Civil society organisations (CSOs) and non-government organisations (NGOs) in South Africa have evolved from proponents of political resistance to lobbyists for service delivery, social cohesion, and societal mobilisation on critical matters. While platforms such as the National Economic Development and Labour Council (Nedlac) established formalised mechanisms for government engagements with social partners such as business and labour, non-government actors often contribute independently of formal government engagements in domestic and international affairs. The "voice of the unemployed" has increasingly come to the fore through protests, social media posts, summits, etc. as they are not represented in formal structures.[26] Greater trust between government and non-government stakeholders has proven crucial in forging new forms of social cooperation to influence non-state actors and civil society organisations towards a common vision. Social compacting is primarily needed to unlock gridlocks around factors that are crucial to development but fall outside government's full control. These include employment creation, youth development, economic transformation, fighting poverty, as well as civil society and citizen participation and contribution.

15   Harvard (2023) Growth through Inclusion in South Africa
16   UNCTAD (2022) World Investment Report 2021
17   DPME Bi-Annual MTSF-POA Report 2023;
18   DPME (2022) Covid-19 Country Report
19   Presidential 4IR Commission Report
20   SONA 2024 Debate https://www.youtube.com/watch?v=T_2iHvVvssY&list=TLPQMTcwMjIwMjS7QKdQ3e2few&index=3
21   https://outrightinternational.org/our-work/sub-saharan-africa/south-africa; SAIRR. An in-depth look into the quality of life of LGBT South Africans. Nov 2023
22   Afrobarometer. 2021. Round 8 survey in South Africa
23   Presidency 2021. Report of the expert panel into the July 2021 civil unrest. Republic of South Africa
24   WEF Global Risk Report
25   UNCTAD (2022) World Investment Report 2021
26   Presidential Jobs Summit Framework Agreement ; Unemployed social workers voice their frustration (https://www.youtube.com/watch?v=QiLq2zhTUT8); Unemployed movements demand a decent BIG to address South Africa's hunger crisis (https://aidc.org.za/unemployed-demand-big-south-africa/); https://www.denosa.org.za/News_View.php?id=35571; Unemployed graduates protest in Pretoria (https://elitshanews.org.za/2020/08/14/unemployed-graduates-protest-in-pretoria/)

BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

The chapter examines the constitution and key public sector transversal legislation; restructuring of the state and the state-owned enterprises (SOEs); functioning of the legislative sector and constitutional bodies; independent bodies known as Chapter 9 and Chapter 10 institutions; national development planning and mechanisms for participatory governance, the public perceptions about the performance of the state as well as lessons on a range of relevant areas under the rubric of capable, ethical and developmental state.

Democratic South Africa inherited a fragmented legal, governance and administration system. In the year leading up to the democratic elections, around 1 187 600 public servants were employed in the public service of the 'old South Africa' and the ten Bantustans. Amalgamating these separate administrations into one nation and rationalising their diverse public administrations into a unified national public service was a significant undertaking for the democratic government (Public Service Commission, 1996). Despite reforms, the legacy of past policies persists and contribute to some of the contemporary challenges, such as uneven development and corruption.

Apartheid created a complex web of governance systems (Christopher, 1994). The challenge of integrating several homeland agencies was enormous. The approaches and efficiency levels of various departments differed significantly. Negotiations were intense, particularly over the status and responsibilities of the previous employees to absorb them into the new inclusive public service and administration. Plaatjies (2007) recognises the democratic state's agility in ensuring no service interruption throughout the transition. Budgets had to be combined, priorities adjusted, and new portfolios had to be created as required. This administrative project also symbolised that no person or region would be left behind in the new South Africa.

NATIONAL ASPIRATIONS

The RDP of 1994 and related public sector policy and legal frameworks laid the foundation for a new governance system for South Africa. The 1996 Constitution sought to transform governance practices towards the rights-based democratic ethos by promoting equality, human dignity, impartiality, freedom and openness, and fundamental principles and values of public administration.

The Constitution's mission provides a foundation for laws and policies that were subsequently enacted to build a democratic public service as an instrument to address historical injustices and transform society (Muthien and Khosa, 1996; Pillay, 2008). Chapter 10 of the Constitution outlined the tenets of the envisioned public administration to shift orientation towards a high level of professional ethics, effective resource management, development orientation, impartiality, responsiveness, accountability, transparency, and representativity, and a public administration reflective of South Africa's population.

Successive democratic administrations have prioritised the objectives of "building a capable, ethical and developmental state". That is, a capable state that has the required human and institutional delivery processes and technological capability to carry out its role and deliver a better life for all citizens; an ethical state driven by constitutional values and principles of public administration and the rule of law, focussing on the progressive realisation of socio-economic rights and social justice as outlined in the Bill of Rights; and the developmental state that is interventionist through progressive policies, plans and strategies, that deliver better outcomes and values active citizenry.

LEGISLATION, KEY POLICIES AND PROGRAMMES

Since 1994, South Africa's governance landscape has been meaningfully restructured and transformed based on the key objectives of the RDP White Paper (1994), the Public Service Act (1994), and the White Paper on the Transformation of the Public Service (1995), as well as the Constitutional values and principles. Part of the goal of the post-1994 democratic state has been to integrate divided and fragmented states into one cohesive one. The administrative merger of former homeland administrations with the four provinces of pre-1994 South Africa was an important component and probably the most successful aspect of the reconstruction project of the first democratic administration.

South Africa's critical public sector transversal legislations form a comprehensive legal framework governing public service, financial management, and intergovernmental relations across the three spheres and arms of the state. Particular attention has been given to the Macro-Organisation of the Government or NMOG (initially called Macro-Organisation of the State) to configure ministries to oversee the delivery of the government mandate and the oversight role of Deputy-President as Leader of Government Business. NMOGs are reviewed to align with changing requirements and include defining ministries and clusters of ministries, cabinet committees, MinMECs, Presidential Coordinating Council (PCC), and the corresponding clusters of Directors General and the Forum for South Africa's Directors General (FOSAD).

The Public Service Act (PSA of 1994) and the Public Administration and Management Act (PAMA of 2014) regulate public service structures and functions, employment issues and related matters. The PSA (1994) and its related Public Service Regulations (PSR) established an important framework for successful restructuring of the public service (i.e. national and provincial departments and government components). Framework, overseen by the Department of Public Service and Administration (DPSA), anchors the administrative functions in Programme 1 (corporate services functions) of the departments related to human resources management and development, governance of information technology, auxiliary functions, labour relations, and management of career-related incidents of heads of departments, among other things.

Financial management is governed by the Public Finance Management Act (PFMA of 1999) and the Municipal Finance Management Act (MFMA of 2003). The PFMA (1999) and its related Treasury Regulations successfully enabled a decentralised system of public financial governance and related procurement and accountability practices. Guided by the National Treasury and Provincial Treasuries, the financial administrative functions of the departments are implemented by Offices of the Accounting Officers (AOs) and Chief Financial Officers (CFOs) located in Programme 1 of the departments. The Public Service Commission Act (1997) establishes the Public Service Commission (PSC) as an independent body to monitor public service performance and human resource management practices and promote Constitutional values and principles. The PSC also hosts the Anti-Corruption Hotline and stakeholder events celebrating the 9thth of December as the annual International Anti-Corruption Day.

MILESTONES AND KEY ACHIEVEMENTS

Restructuring of the public service and creation of the new state machinery

A critical component of restructuring the public service has been the integration of previously divided and fragmented state administration systems, including the former homelands and the old provinces. This endeavour aimed at amalgamating and rethinking organisational coherence, addressing challenges related to differing approaches and efficiency levels (Thompson, 2001). Successful integration required overcoming psychological and structural challenges and fostering trust among public servants from diverse backgrounds. Public servants had to be retrained to set new standards for public service delivery quality nationwide.

A single national administration and nine provincial administrations were created. Despite challenges, the restructuring was largely successful. However, the subsequent frequent establishments, disestablishments, and departmental changes driven by ministerial portfolio considerations have raised concerns about potential disruptions to institution-building and "statecraft". The Constitution demarcates powers between the state's executive, legislative, and judicial branches. The cooperative governance framework recognises local, provincial, and national spheres as three autonomous spheres of government, but with a duty to consult and cooperate.

The legislative sector, spanning all three spheres of government, is designed to actively engage the public in law-making processes, promoting inclusivity and accountability, as well as public participation and oversight. Independent bodies, known as Chapter 9 and 10 institutions, were established to uphold democracy and democratic governance. These include the Public Protector, the Auditor-General (AGSA), the South African Human Rights Commission (SAHRC), the Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities, The Commission for Gender Equality, The Electoral Commission and under Chapter 10, the Public Service Commission (PSC). Challenges and reforms in this sector, like those proposed by the State Capture Commission, underscore the need for ongoing efforts to strengthen oversight and accountability, including by Parliament.

Restructuring into the current three spheres of government has been a significant achievement. The composition of public servants transformed in terms of race, gender, and disability and has improved over the years to reflect the country's demographics. The general orientation of government changed towards serving all people, not just a white minority or ethnically defined groups and areas.

Parliament, provincial legislatures, and municipal councils are not just symbols of representative democracy but are transformed in terms of race and gender and serve as participatory platforms to advance democracy and freedom in South Africa. Legislative reforms have altered the institution of traditional leadership into a progressive sector in line with the Constitution. Several partnership programmes involve traditional leaders in addressing socio-economic challenges.

The structure and size of the public service must be optimal to enable the government to effectively execute its mandate. Accounting Officers (AOs), including the Directors-General (DGs) and Heads of Departments (HoDs) in national departments and provincial departments, must be well positioned, with clear lines of authority and accountability to perform their duties. The task of sustaining the capacity of the public service in the second and third decades of democracy grappled with practical challenges relating to the tenure of AOs.[27] These frequent changes tended to follow Cabinet reshuffles and long-standing vacancies.

According to DPSA, public services have altered and diversified over the three decades, most notably as a deliberate measure to extend government services to previously neglected regions. In 2023/24, there were 1,2 million public servants, about 1,94% of the total population of 62 million. There is a total of 722 departments, amongst which are national and provincial departments, municipalities, entities, and state-owned enterprises. With the ratio of public servants: population of 1,94%, South Africa compared favourably with other African nations (Nigeria with 0,56%, Namibia with 4,2%) but falls short of developed countries such as the United Kingdom, which has 8,7%.

Figure 7: Size and composition of the public service

POPULATION
- 62 Million

PUBLIC SERVICE WORKFORCE
- 1,2 Million
- 1,94% of population

COMPOSITION OF THE PUBLIC SERVICE
- 47 National departments
- 185 Central government entities
- 115 Provincial departments
- 8 Metropolitan municipalities
- 44 District municipalities
- 205 Local municipalities

Source: DPSA, 2024.

Intergovernmental relations and the District Development Model

Cooperative governance was another critical area of South Africa's transformative journey. The approach for intergovernmental relations (IGR) has been guided by Chapter 3 of the Constitution (Cooperative Governance) and the Intergovernmental Relations Framework Act (2005). COGTA, both at national level and provincial spheres are policy lead in this area. The National Treasury played a pivotal role in reviewing and adapting resource allocation frameworks. Metropolitan municipalities were positioned as engines of economic growth. Between 2000 and 2009, the focus was primarily on improving service delivery while also introducing legislative frameworks for enhancing municipal capacity.

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27 DPME (2022) Evaluation of State Capacity with Special Focus on Directors General (DGs) and Heads of Departments (HODs)

A later chapter, titled "Local Government and Traditional Leadership" presents further details. The District Development Model (DDM) was introduced in 2019 to improve cooperative governance towards the improved delivery of services at a local level. The DDM aims to foster collaboration and joint planning, budgeting, and implementation at the district and metropolitan levels. "One-Plan" and "One-Budget" are vital instruments to harmonise priorities at different levels – and these are developed with the participation of key government stakeholders, communities, and the private sector. The DDM utilises the existing legal framework and the Intergovernmental Relations (IGR) Framework Act to coordinate and align development priorities between the three spheres of government.

Among the objectives of the DDM are to:

- Facilitate intergovernmental relations by solving the silo approach and fostering joint planning, budgeting, and implementation,
- Maximise impact and align plans and resources,
- Strengthen coordination and capacity at the district and city levels to bridge the gap between people and government,
- Strengthen government capacity to support municipalities,
- Enhance monitoring and evaluation at district and local levels,
- Achieve a balanced approach to development between urban and rural areas and
- Exercise oversight over budgets and projects transparently and accountable.

The DDM has been piloted in two rural districts, namely the OR Tambo District and the Waterberg District, and one urban metro, the eThekwini Metro. The pilot provided important lessons for implementation going forward. The lessons have thus far been used to inform the development of the District One Plans. Examples include the eThekwini One Plan, which was endorsed by the metro council, DDM technical and political committees and the KZN Provincial Executive Council; the OR Tambo one was endorsed by the district and all local municipal councils and the Eastern Cape Provincial Executive Council. The Waterberg One Plan was endorsed by District Mayor's Forum and by the district and local Municipalities.

Public finance and taxation

The Ministry of Finance manages public finances via the National Treasury, provincial treasuries, and the financial departments of municipalities and public entities. Legislative reforms like the PFMA and MFMA have facilitated decentralised financial management since the early 2000s. Their robust implementation has institutionalised good financial management practices over the years, as demonstrated by improved accountability per the audit outcomes. These instruments are now being used to enforce accountability.

Challenges persist in 2023, including budget deficits, rising debt driven by SOEs like Eskom and Transnet, and high public sector wages. An analysis of the evolution of the fiscal system in the 1990s highlights challenges in consolidating financial systems. It underscores the importance of improved coordination for budgetary stability and effective governance.

The National Treasury remains a pillar of strength in the state machinery, and its capabilities should be strengthened rather than weakened in the current challenging fiscal and financial management circumstances. Open Budget Index (OBI) ranks South Africa within top 5 out of 120 countries over the past 10 years in terms transparency to citizens on its budgeting processes.[28]

A trend shows government debt % of GDP decreasing from 64% in 1994 to 37.7% by 2014; and then increasing from 2015 onwards to 67.4% in 2022/23 – the latter largely due to recurrent bailouts of SOEs and the 2020 financing of Covid-19 interventions. Projections show this indicator stabilising at 73.6% only in 2025/26 and decline after that.

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[28]   www.openbudgetindex.org

South Africa has made substantial progress in establishing and maintaining an efficient tax administration system. The South African Revenue Service Act (Act 34 of 1997) established the South African Revenue Service (SARS) as an autonomous institution to administer tax revenue collection in the country. Tax revenue collection has improved consistently over since 1994. Gross tax revenue collection increased from R147,3 billion in 1996 to R1,5 trillion in 2021/22, a compounded growth rate of 9,9%. Projections indicate R1.68 trillion for 2022/23. Income Tax Register has broadened over the past 10 years, from 17,9 million in 2012/13 to 31,0 million in 2021/22. Innovations enhanced tax compliance and collections and overall efficiency.[29]

SARS has played a crucial role in these achievements through administrative efficiencies and technological upgrades and, in more recent years, the use of machine learning to address non-compliance. The primary sources of tax revenue remain relatively steady. SARS is actively implementing projects, such as the Customs Modernisation Programme, to enhance revenue collection further. The agency remains a shining example of a strong state institution that measures well in international benchmarks.[30] Despite the adverse impact of state capture on SARS during the past ten years and the effect of COVID-19 disruptions, SARS has recovered well and remains one of the success stories of democratic South Africa in terms of capabilities and achievement of its mandate. It also plays a key role in anti-corruption efforts and in recovering tax revenue lost via state capture and related corrupt practices.

Audit outcomes of state institutions

The Development Indicators report 2023 highlights a general improvement in audit outcomes since 2010, with a decrease in the incidence of qualified audits, particularly in national and provincial departments. Of the 418 auditees, 147 (35%) who achieved clean audits in 2022/23 managed 16% of the R3.10-trillion expenditure budget in the national and provincial government. Additionally, the 162 auditees (39%) that received unqualified audit opinions with findings managed 48% of the budget. The tabling in Parliament of the Public Procurement Bill 2023 will standardise government procurement practices.

Local government presents an area of major challenges – including poor financial sustainability, poor quality of financial reporting, incorrect billing, poor revenue collection records, continued overreliance on the audit process to identify and correct misstatements, ineffective use of consultants, poor financial planning leading to unfunded budgets and high levels of unauthorized expenditure.

Challenges include non-adherence to financial management legislation and the lack of responsiveness by political and administrative leadership to negative audit opinions and guidance by the Auditor-General. The 2019 amendments to the Public Audit Act (Act 25 of 2004) have provided additional powers to AGSA to implement remedial measures in instances of material irregularities to recover losses incurred and prevent further losses. According to the Consolidated General Report on Local Government Audit Outcomes 2021-22, about R479 million could be recovered by applying the material irregularities provisions.

The AGSA is highly regarded as the most robust public sector body in South Africa and is acknowledged globally for institutional excellence. Its refined methodologies and approaches ensure that its reports on audit outcomes serve as a source of high-quality managerial information that informs decision-making and performance improvements across government.

Development planning

The development approach of South Africa has been a subject of many debates in various domains, such as the party-political sphere, government policymaking, business leaders, academic literature and discourses in the civil society space and think tanks such as the Human Sciences Research Council.[32] The governing party at the national level, the African National Congress, is at the forefront of such debates[33] in terms of articulating its ideological orientation, referred to as the National Democratic Revolution, which is ventilated

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29 National Treasury input to the 30 Year Review sent via email in January 2024; SARS Tax Statistics 2023.

30 Fall, F. (2022), "The SARS has improved its performance", in OECD Economic Surveys: South Africa 2022: , OECD Publishing, Paris, https://doi.org/10.1787/ec4469e2-en

31 OECD (2016), Supreme Audit Institutions and Good Governance: Oversight, Insight and Foresight, OECD Public Governance Reviews, OECD Publishing, Paris, https://doi.org/10.1787/9789264263871-en.

32 Edigheji, O. 2010 (Editor) Constructing a democratic developmental state in South Africa: Potentials and challenges, https://www.hsrcpress.ac.za/books/constructing-a-democratic-developmental-state-in-south-africa

33 Mamogale, M. J. (2020). Building a Democratic Developmental State in Post-Colonial Africa: South Africa at the Glance. The African Review, 47(1), 175-208. https://doi.org/10.1163/1821889X-12340008`

through its publications such as conference resolutions and newsletters. Key among the interlocutors, ANC's main partners in the Tripartite Alliance are the Communist Party of South Africa and members of the Congress of South African Trade Unions (COSATU). At times, these role-players have expressed their sharp differences with the ruling party and its government representatives regarding economic policy positions and direction, such as their views on the (non) implementation of the 1994 RDP document, introduction of the (neoliberal) Growth, Employment, and Redistribution Strategy (GEAR) of 1996, the New Growth Path of 2009/10, the National Development Plan of 2012, various economic turnaround plans, which include the Economic Reconstruction and Recovery Plan (ERRP) of 2020.

In 2016, the PSC published a report on the characteristics of the public service that should underpin a developmental state. The PSC has argued that the vision of building a capable and developmental state can only be realised through public leadership in which senior public officials become stewards of the Constitution's rights, values, and principles. One of the significant characteristics of public services in developmental states is that they are merit-based; hence, recruitment into the service is based on entrance exams, qualifications, talent, and capability. This is the case in countries such as China, India, Japan, Korea, Malaysia, Mauritius, the Philippines, Singapore, Botswana, and Brazil. For states aspiring to be developmental states, the two critical success factors are the building of organisational and technical capacity and strong coordination and synchronisation of the government's programmes and policies.

According to Gumede (2019:11), the success story of the East Asian Tigers has influenced the characterisation of developmental states. However, he argues that there is a view in the literature that developmental states should be fashioned along the lines of 'broader development paradigms' such as participatory governance, democratisation, embedded autonomy, and partnerships across all sectors of society.[34] Participatory governance refers to the centrality of stakeholder inputs and engagements in formulating the state's development plans and policies. In addition, state-driven economic growth and human capital development (meritocracy) are viewed as core ingredients of successful developmental states. Economic policy analysis is covered in this document's economic and social development chapters. This section focuses on the evolution of the broader development planning system and current reforms.

> **Wave 1 (1994-2000):** This period laid the foundation for planning and governance, marked by the adopting of the 1996 Constitution, which allocated powers and responsibilities for public administration. The RDP aimed to promote a democratic, non-racial, and non-sexist future. The Growth, Employment, and Redistribution (GEAR) strategy introduced in 1996 aimed to boost economic growth. The municipal integrated development plans (IDPs) were introduced during the transition and formally codified into statute via the Municipal Systems Act 2000.

> **Wave 2 (2001-2008):** The government introduced measures to enhance coordination and intergovernmental relations during this phase. This included restructuring the Presidency and introducing the Policy Coordination and Advisory Services (PCAS) unit, the cluster system in Cabinet, and the Forum of South African Directors-General (FOSAD). Several acts and guidelines were introduced to improve planning and coordination, including the National Planning Framework (NPF), Municipal Finance Management Act (MFMA), Intergovernmental Relations Framework Act (IGRFA), and Guidelines for Provincial Growth and Development Strategies.

> **Wave 3 (2009-2019):** In this period, two ministries were established in the Presidency: National Planning and Performance Monitoring and Evaluation. The National Planning Commission (NPC) developed the National Development Plan 2030 (NDP) as the country's long-term plan. Various planning and evaluation policies and instruments were introduced, including the Medium-Term Strategic Framework (MTSF), the Spatial Planning and Land Use Management Act (SPLUMA), and the Gender-Responsive Planning, Budgeting, Monitoring, Evaluation, and Auditing Framework (GRPBMEAF). Adoption of the Operation Phakisa Big Fast Results Implementation Methodology as an approach to implement faster and more effectively across seven prioritised areas that support the NDP (Ocean Economy, Health, Education, Mining, Agriculture, Biodiversity and Waste).

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34 Gumede, Vusi. 2019. "South Africa's Journey towards a Democratic Developmental State". Africanus: Journal of Development Studies 49 (2):23 pages. https://doi.org/10.25159/2663-6522/6724.

Wave 4 (2019-2024 and beyond): This phase focuses on institutionalising an integrated planning system, emphasising anticipatory governance and prioritisation. Numerous planning reforms were introduced, including improvements to the Medium-Term Development Planning approach and the introduction of the District Development Model and district and Metro One Plan and One Budgets. The MTSF adopted a results-based approach focusing on women, youth, and persons with disabilities. The passage also discusses the impact of the COVID-19 pandemic on government plans and the revision of the MTSF to address the challenges posed by the pandemic.

In summary, these developmental phases reflect South Africa's ongoing efforts to create a compelling and integrated planning system that supports the country's development objectives while addressing the legacy of apartheid and promoting social inclusion and economic progress. The following sections discuss key planning reforms directly linked to the DPME.

Improving planning and budgeting alignment: The DPME developed the annual Budget Prioritisation Framework (BPF): Towards Budget 2024 to improve the alignment of planning priorities and the national budget process. The BPF was consulted through various planning forums with national and provincial departments. The BPF priorities were also presented and accepted at the FOSAD Planning Workshop and the GSCID DG's Cluster. The BPF 2024 was further demonstrated at various bilateral, technical and function group meetings as part of the national budget process. The BPF was also presented at the Medium-Term Expenditure Committee, chaired by the National Treasury, which made recommendations to the Ministers' Committee on the budget regarding funding decisions. Further, the DPME has taken a proactive approach to present the priorities at the various national and provincial strategic planning sessions as part of the planning approach for the medium-term and annual 2024/25 planning process towards the transition to the 7th administration.

The National Development Planning Framework Bill, 2023: DPME has made meaningful progress in the period under review in revising the National Development Planning Framework Bill, 2023, as part of reforms in the planning system to improve the contribution of planning to the achievement of the country's development goals. The Bill addresses fragmentation and improves coherence and harmonisation in the national development planning system. The Bill should assist the government in effectively pursuing social, spatial, economic, technological, and environmental development priorities in implementing the national development planning system. The Bill further provides for development planning principles and sets out the role of the Minister for Planning, Monitoring and Evaluation, DPME and the National Planning Commission. As part of the path to legislation, the Bill has received pre-certification by the Office of the Chief State Law Advisors. The revised Bill was presented to the GSCID Cabinet Committee on the 13th of June, 2023, and further refinements were made based on the GSCID comments. The revised Bill was re-tabled in the cabinet system in November 2023.

Integrated Planning Forums: Achieving the country's development goals requires alignment and collaboration across government and state institutions. Critical in this regard are the central government departments at a national level and provincial governments, which play a vital role in delivering key goods and services to the country's citizens, working in collaboration with local governments.

The DPME coordinates stakeholder engagements through various integrated inter-governmental planning forums to strengthen and develop the institutional, technical, and administrative aspects of planning to achieve a more coordinated and responsive government through a planning system that promotes the country's development objectives. These forums are the National Steering Committee on Integrated Planning (NSCIP), National Technical Planning Forum (NTPF) and the Planning Community of Practice- 3A Public Entities (CoP).

The NSCIP serves as a high-level platform for engagement, consultation, sharing of good practice, and communication between DPME, other centres of government departments, and OTPs concerning planning and its supporting instruments and mechanisms. The Planning Community of Practice (PCP) includes 3A public entities and provides for learning, knowledge building and sharing, which will contribute towards achieving government outcomes. The PCP also focuses on building capacity and sharing best planning, monitoring, and evaluation practices. The NTPF involves planners from the national government and has goals similar to those of the other planning forums.

Reforms of State-Owned Enterprises (SOEs)

South Africa's public entities have undergone significant changes since 1995, driven by the New Public Management paradigm, which emphasises managerial autonomy. This resulted in the establishment various agencies, SOEs, regulatory bodies, and advisory units, motivated by removing conflicts of interest and promoting efficiency by separating policy from implementation, avoiding government bureaucracy and offering higher salaries.However, challenges such as blurred accountability and the 'hollowing out' of the state have been observed. Evaluations highlighted both improvements in service delivery and accountability concerns.[35] Major reviews in 2005 and 2010 identified ad hoc establishment, regulatory fragmentation, and rigid legislation addressed by the Phiyega report on SOEs.[36]

The Presidential State-Owned Enterprises Council (PSEC) in 2020 started focusing on restructuring and repurposing SOEs, with recent measures to address corruption and financial challenges and called for public-private partnerships. PSEC proposals include a centralised shareholder model to reduce political interference and enhance professionalism. The National State Enterprises Bill and the SOE Accountability Monitoring Framework emphasise good governance, accountability, and standardised monitoring practices.

The DPME's SOE Forum in September 2023 recommended addressing governance weaknesses, incorporating corporate social responsibility (CSR), contributing to the DDM, implementing the SOE Monitoring Framework, strengthening oversight capacity, and assessing generic governance structures on procurement.

Some entities remain bright stars, such as the Development Bank of Southern Africa and Rand Water, demonstrating that where good leadership and governance practices exist, SOEs could be beacons of hope for a better South Africa.

Professionalisation of the public sector

The NDP aims to position the public service and local government as career paths of choice and to address persistent instability in senior administrative leadership. The Skills Development Act and Public Service Act comprise an extensive regulatory framework for human resource development (HRD), complemented by Sectoral Education and Training Authorities (SETAs) and departmental HRD plans. The National HRD Strategy of 2022 and National Skills Development Strategy III guide the SETAs. The Public Service SETA (PSETA) and the National School of Government (NSG) play vital roles in public sector HRD. The Performance Management and Development System (PMDS) has been amended over the years, with recent adjustments addressing unintended outcomes, moving away from a bonus-oriented focus.

The PSC's 2016 report on the characteristics of the public service that should underpin a developmental state argued that the vision of building a capable and developmental state can be realised only through a form of public leadership in which senior public officials become stewards of the rights, values and principles in the Constitution. A significant characteristic of public services in successful developmental states is that appointments are merit-based, with recruitment based on entrance exams, qualifications, talent and capability.

The PSC suggests that the PMDS, particularly in individual performance appraisals, has not effectively measured and improved public service performance. A fundamental review of the PMDS is proposed, recognising the challenges of objectively measuring performance against standards. The Heads of Departments (HoDs) PMDS Directive was enhanced in 2017 and is currently aligned with the new National Framework Towards the Professionalisation of the Public Sector (2022). The Public Service Amendment Bill 2023 aims to amend the Public Service Act to implement this framework and establish the Head of Public Administration, contributing to ongoing efforts to professionalise the public sector and prevent a recurrence of state capture. The National Framework envisages a vital role for the PSC in exercising independent oversight of public sector recruitment and selection. The current focus on public sector reforms identified in Chapter 13 of the NDP, such as appointing the Head of the Public Service and adopting the Professionalisation Framework for the Public Sector, are significant steps in the right direction.

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[35] Public Service Commission (2011) Report on the Evaluation of the Role of Agencification in Public Service Delivery in Selected, Sectors: www.psc.gov.za/documents/2012/Agencification%20Report.pdf

[36] Report of the Presidential Review Committee (PRC) of State owned enterprises (SOEs) https://www.gov.za/documents/other/report-presidential-review-committee-prc-state-owned-entities-soes-28-may-2013

The Business Processes Modernisation Programme (BPMP) aims to improve public sector business processes to benefit citizens and government employees. A comprehensive report details the mapping of current processes, identification of inefficiencies, and opportunities for automation. The National e-Government Portal underwent enhancements. Progress in the Broadcast Digital Migration Programme led to Cabinet approval for the Analogue Switch-Off date, although implementation is behind schedule. These initiatives align with government priorities for efficient network deployment and support of a digital economy

Disaster management system

The Disaster Management Act 57 of 2002 (DMA) is the primary legislation that provides for an integrated and coordinated disaster policy that focuses on: prevention, mitigation, emergency preparedness, rapid and effective response, and post-disaster recovery. DMA provides for the establishment of Disaster Management Centers across all spheres of government. The NDMC is a Presidentially assigned function to a Cabinet Member, executed in terms of the Disaster Management Act 57 of 2002. The NDMC must promote an integrated and coordinated system of DM, covering all the 3 spheres of government, all statutory functions and all other role players within the system.

DMA provides for the National Disaster Management Framework (NDMF) which serves as National policy for Disaster Risk Reduction (DRR). South Africa is making progress in ensuring that the Sendai Framework for Disaster Risk Reduction and DRR is everyone's responsibility. Demands for disaster risk reduction measures are escalating. South Africa has experienced an increasing prevalence and intensity of disasters, droughts, fires, floods, severe storms in recent years that are associated with extreme weather conditions with some cutting across the Southern Africa region. This informs how South Africa cooperates with other SADC countries in mainstreaming DRR and encourage climate sensitive budgeting.

The scale of damage from recent disasters presents a case for greater attention to be given to adaptation of all aspects of disaster management life cycle to the new/ emerging realities.The most recent major disasters, namely the Covid-19 pandemic, the July 2021 unrests and the April 2022 flood disasters greatly tested the system of disaster management, revealing specific strengths and limitations as it applies in various intervention areas.

Relevant global frameworks such as the Sendai Framework for Disaster Risk Reduction (SFDRR) 2015-2030; its predecessor, the Hyogo Framework for Action (HFA) 2005-2015 (Building the Resilience of Nations and Communities to Disasters); and the specific sub-goals of the Sustainable Development Goals (SDGs), help in aggregating best practices and provide guidance to country level approaches and legislative frameworks. These international frameworks recognise the tenets of international solidarity, the importance of shared, global approaches to certain challenges while also acknowledging the need for country level policies, legislation, capacities and processes.

Anti-corruption and ethics

Since 1994, the public service has established an integrity system, including laws and mechanisms to combat corruption. However, ethics implementation is often perfunctory, focusing on institutional technical compliance rather than on the impact of flawed service delivery on citizens' experiences. In addition, the State Capture Commission found widespread abuse of the procedures for strategic appointments in the public sector. The appointees then abused public procurement procedures to extract public finances for personal or sectional gain or to protect beneficiaries from accountability.

Transparency International's Corruption Perception Index (CPI) Score for South Africa was 41/100 in 2023. The score oscillated between 42 and 45 from 2012 and 2021 – and has regressed from 50+ scores of the late 1990s and early 2000s.[37] Overall, South Africa is considered to have maintained transparency around corruption identification. Grey-listing by the Financial Action Task Force (FATF) in February 2023 even after implementing 59 of the 67 FATF Recommended Actions suggested that certain deficiencies remained under "increased monitoring" by international peers with regard to combating certain types of corrupt activities, namely money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.[38]

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[37]   Transparency International (www.transparency.org).
[38]   https://www.fatf-gafi.org/en/publications/Mutualevaluations/Mer-south-africa-2021.html

SYNTHESIS REPORT

The DPSA, PSC and the Ethics Institute collaborate with public sector entities to strengthen and assess their ethics culture, indicating overall improvements from 2018 to 2022. DPME works closely with the Presidency to advance the National Anti-Corruption Strategy (NACS), monitor State Capture Commission recommendations implementation, and implement multi-departmental interventions. National Treasury has finalised the Public Procurement Bill to reshape the procurement regime with more robust anti-corruption measures. The National Anti-Corruption Hotline, managed by the PSC, facilitates corruption reporting, with cases referred for investigation. The PSC oversees the financial disclosure framework to ensure that public servants declare financial interests to prevent conflicts of interest. At the same time, lifestyle audits of senior managers have become compulsory under the auspices of the DPSA.

Legislative amendments have been introduced to respond to State Capture Commission recommendations, including bills addressing NPA capacity deficits, public procurement, intelligence services, anti-money laundering, and more. A comprehensive review of whistle-blower legislation is ongoing. The government emphasises reforms and anti-corruption efforts, including implementing the National Anti-Corruption Strategy 2020-2030 (NACS), which envisages a whole-of-society approach to combat this scourge and its negative socio-economic consequences and establishing new anti-corruption capabilities. The ongoing reform process aims to build an ethical state and respond to the challenges the State Capture Commission identified.

The NACS aims to strengthen the legal reforms for anti-corruption measures. Following the NACS, the National Anti-Corruption Advisory Council (NACAC), an independent multi-stakeholder advisory body, was established in late 2022 to help strengthen anti-corruption efforts and institutional arrangements. The NACAC is fully operational, with workstreams focused on specific anti-corruption initiatives, including institutional architecture, communication, procurement reforms, legislative reforms, transparency, whistle-blower protection, and monitoring. It will advise on the potential creation of an 'Anti-State Capture and Corruption Commission' and a 'Public Procurement Anti-Corruption Agency,' as the State Capture Commission recommended.

The fight against corruption has been elevated to a whole-of-society effort through the NACS and its related implementation initiatives, notably the NACAC that held a national dialogue in November 2023.

Meeting basic needs

Much progress has been made in meeting basic needs to improve standard of living standards. Policy intents included provision formal housing for the poor, connecting electricity, provision of water and sanitation. By 2022, provision of formal housing stood at 88,5%. Also, South Africa has one of the largest social housing delivery programme in the world. Household access to electricity, piped water and sanitation all stood at above 80%.

Further details on this is presented in Chapter 3: Local Government and Traditional Leadership.

Various studies reveal a mixed set of public perceptions and experiences about service delivery and the quality thereof. According to Stats SA (2023), public perception indicates over 80% satisfaction with the government in various areas, namely social security, public schools, SARS, higher education institutions, home affairs, and correctional services. In public housing services, SAPS, public clinics, public hospitals and the courts, satisfaction is below 80%. Home Affairs offices are generally seen as accessible, but inequitable treatment and long waiting times raise issues. Overall satisfaction rates have declined from 72.5% in 2019/20 to 61.1% in 2022/23, with persistent concerns about waiting times and corruption in public services. Trust in government institutions has generally declined. Views on corruption show an increased number of individuals asked for bribes by government officials. GCIS Tracker reports (2022) on the national mood indicate a decline in citizens' belief that the country is well-managed, with unemployment identified as the most significant challenge, followed by poverty.

Figure 8: Population with access to basic services
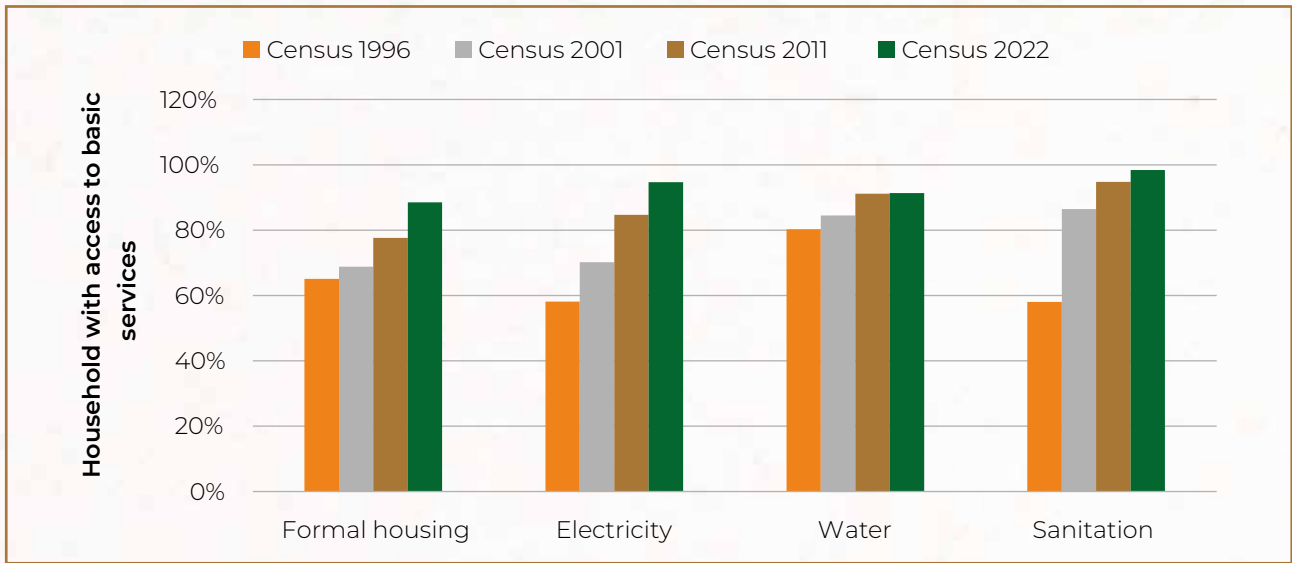
Figure 9: Citizen satisfaction with services offered by the government/public institutions

(Source: Stats SA (2023), Governance, Public Safety and Justice Survey for 2019/20 and 2022/23)

The legislature

Parliament is the central institution representing the diverse voices and interests of the South African population. It is a crucial oversight mechanism for the executive branch, holding the government accountable for its actions and policies.

Key sections about parliamentary oversight and accountability in the Constitution are primarily found in Chapter 4, detailing the powers and functions of the National Assembly. Section 55 emphasises the National Assembly's (NA) role in overseeing the executive branch, ensuring accountability for its actions and policies. Additionally, Section 85 underscores the President's accountability to Parliament, reinforcing the principle of checks and balances.

The constitutional provisions outlining the powers and functions of Parliament regarding oversight and accountability include but are not exclusive to the following:

- Section 42(3) & (4) defines the NA's role in representing the people, ensuring government by the people, scrutinising executive action, and representing provincial interests.
- Section 92(2) & (3) holds Cabinet members collectively and individually accountable to Parliament, requiring regular reports.
- Section 133(2) & (3) holds members of the Executive Council of a province accountable to the provincial legislature.
- Section 199(8) requires multi-party parliamentary committees to oversee security services.

Successive administrations dealt with different sets of issues in their respective terms. The first post-1994 Parliament, which came at an inaugural phase of the new South Africa, faced the formidable task of dismantling the apartheid legal framework and introducing the new dispensation based on the democratic Constitution. It had a busy legislative schedule, introducing about 90 pieces of legislation yearly to reshape South Africa, resulting in over 789 laws or amendment acts for the whole term. The 2nd administration emphasised policy continuity as it sought to strengthen macroeconomic stability and international diplomacy. From the 3rd to the 5th administrations, the tone was set to continue with the sustained government programme in driving fundamental transformation, building on previous administrations.

Table 2: Summary of focus of successive terms of Parliament

The Inaugural Years (1994 – 1999)	
Focus on overhaul of the state machinery	• Introduction of a new Constitution • About 90 acts were introduced yearly to reshape South Africa, making over 789 laws or amendment acts. • Integrating the 14 distinct administrations, comprising 490 members from various parties and regions
Transformative Agendas (1999 – 2004)	
Focus shifted towards executing key policies established in the first term	• Emphasis on policy continuity to strengthen macroeconomic stability and international diplomacy • GEAR strategy with apex priorities on economic growth, infrastructure development, poverty eradication, education, health, criminal justice, government strengthening, and international relations • Rural development Initiatives to address disparities and upliftment in all regions of the country • Parliamentary initiatives to support the African Peer Review Mechanism (APRM), the establishment of Interpreting Services and the Sign Language capacity to broaden access to parliamentary proceedings and promote inclusivity, and the "Taking Parliament to the People" to drive public engagement • A significant challenge in 2001 of arms deal corruption allegations posed a substantial test for a fledgling democracy.
Strengthening Oversight and Public Participation (2004 – 2009)	
The focus shifted to Strengthening mechanisms for public engagement	• Adoption of the Parliamentary Oversight and Accountability Model (POAM) to guide oversight activities throughout the five-year term • Improved Public Participation as part of the POAM to integrate public participation into core parliamentary functioning. • Audit of Public-funded Institutions, identifying about 750 public-funded institutions accountable to Parliament and guiding on their lines of accountability. • Adoption of International Relations Policy to guide Parliament's global interactions

Strengthening Oversight and Public Participation (2004 – 2009)

The focus shifted to Strengthening mechanisms for public engagement	• Reviewing of the Promotion of Equality and Prevention of Unfair Discrimination Act Review focusing on its impact on women and persons with disabilities. • Infrastructure and technology through technological upgrades and Public Affairs and Communication to engage with the media and disseminate public information. • Tensions surrounding the HIV/AIDS policies.

Prioritising Oversight and Global Engagement (2009 – 2014)

Focus on ensuring constitutional governance and promoting the welfare of all citizens.	• Establishment of the Parliamentary Budget Office (PBO) to provide specialised advice and technical support on national budget matters and create the Treasury Advice Office with related responsibilities. • Hosting of the 59th Commonwealth Parliamentary Association General Assembly and sectoral parliaments like the Youth Parliament, Women's Parliament, Africa Day, and the People's Assembly. • Review of Assembly Rules to enhance legislative procedures and operational efficiency. • Public Participation, through the "Taking Parliament to the People" program, a public lecture series and special events, such as an NCOP seminar on children's rights and a roundtable on empowering women, children, and the elderly. • Promotion of Cooperative Government: The Parliament created portfolios to improve relations with local government and provincial legislatures. • The Public Protector Thuli Madonsela's report on security upgrades at the former President's residence revealed a challenge. Challenges of allegations of corruption and mismanagement

Deepening Democracy (2014 – 2019)

Focus on enhancing participatory and representative democracy by "following up on our commitments to the people."	• Members and Committees enhanced coordination with the executive, increasing ministerial attendance in parliamentary sittings. • Introducing Committees of Inquiry strengthened parliamentary oversight and accountability. • Increased Legislative Activity with over 200 bills processed • Increased Private and Committee Bills, with a notable increase in private members' and committee bills, indicating a more mature approach to law-making and emphasising the need for enhanced law-making capacity • Revised Parliament Public Participation Mechanism (PPM) reinforces the continuum of public participation activities and strengthens accountability to the public. • Challenges revealed through the "State of Capture" report on the 14th of October 2016, alleging undue influence by private interests over the state apparatus

Continuity and Long-Term Vision (2019 – 2024)

Focus on prioritised economic recovery, anti-corruption measures, and social reforms.	• COVID-19 and transition to a Virtual/Hybrid Parliament in response to the COVID-19 pandemic; new rules for NA and NCOP allowing MPs to participate remotely. • COVID-19 budgetary response: Considerable time was spent considering and passing budget reforms in response to the economic impact of the COVID-19 pandemic and efforts to stimulate economic recovery. • SOE oversight. The Standing Committee on Public Accounts (SCOPA) was particularly active in holding wayward SOEs and departments accountable.

Continuity and Long-Term Vision (2019 – 2024)	
Focus on prioritised economic recovery, anti-corruption measures, and social reforms.	• Section 25 Review: The Ad Hoc Committee is tasked with reviewing Section 25 of the Constitution on expropriating land without compensation.
	• Processing the National Health Insurance Bill: The draft bill generated a considerable response, processing over 64,000 written submissions.
	• Criminal allegations against President Ramaphosa were filed by the former head of the State Security Agency.
	• Public Protector Probe: Parliament initiated proceedings for the removal of Public Protector Advocate Busisiwe Mkhwebane from office. An independent panel was appointed to conduct a preliminary inquiry.
	• Response to Civil Unrest: Parliament meetings, oversight visits, establishing inquiries, and scheduling debates to understand and address the causes and consequences of the July 2022 unrest.
	• Impeachment Matters: Parliament dealing with the Judicial Service Commission's recommendation to impeach Western Cape Judge President John Hlophe.
	• Electoral Amendment Bill: Parliament processed the Electoral Amendment Bill by June 2022, allowing for the election of independent candidates in national and provincial elections, as per a Constitutional Court ruling.
	• Motions of No Confidence: Two motions of no confidence, one against the President and the other against the Cabinet.
	• Fire at Parliamentary precinct. Managing the implications of the January 2022 devastating fire that gutted a section of the NA.

LESSONS TOWARDS VISION 2030

Since 1994, the state has positioned itself well at the centre of socio-economic transformation by implementing progressive policies and programmes. Much success has been achieved in transforming society, the economy, and the country's global positioning. Much remains to be done to sustain and move a level higher. A constrained fiscal position in the current period limits the government's ability to pursue some of its policy priorities. Declining budgets hamper the ability of government to scale up the numbers of essential frontline service staff as required, e.g., teachers, nurses and doctors, police, engineering services in local government, etc. Inadequate attention to modernisation and digital transformation limits the government's ability to improve efficiency and impact. Indecisiveness in the reforms of some SOEs and incidents of their governance failures weaken the achievement of developmental outcomes. Corruption, service delivery failures and challenges to the financial sustainability of local governments or municipalities remain critical drivers of declining citizens' trust in government and increased number of protests.

In deepening democracy, the future legislature must prioritise the principles of inclusive democracy, responsive governance, and forward-thinking policies. It must be accommodative of the continual shifts in political party representation in the national, provincial, and local legislatures and incorporate the lessons about the functioning of coalition governments. Greater urgency must be given to completing the repeal of apartheid laws to establish a just and equitable legislative framework based on the Constitution. Further, public participation need elevation by leveraging technology for broader outreach, making parliamentary proceedings accessible to citizens nationwide. Encourage diverse forms of citizen engagement, including public hearings, educational initiatives, and digital platforms, to ensure the public's voice shapes legislative decisions.

There is a need to reconfigure government to enhance delivery through accelerating implementation of the single public service policy and integrated delivery across government. This must include reconfiguring the state to improve the delivery machinery, streamlining and rationalising public entities to eliminate duplications, acceleration of the District Development Model (DDM) towards more integrated development planning at all levels and implementation through the One Plans and the One Budgets.

It also requires a reorientation of the country's planning system towards development outcomes, through among others, better alignment between planning and budgeting with regard to prioritisation, timeframes, resource mobilization and monitoring and evaluation. Instruments within the planning ecosystem, Integrated Planning Bill including sustainable development (climate change response planning), etc. and finalisation and implementation of the National Spatial Development Framework.

Reforms are required to the public procurement system, through the Public Procurement Bill, including reviews of procurement mandates and capacity of the State Information Technology Agency (SITA) and the Department of Public Work and Infrastructure (DPWI), and amendments that support local procurement and are appropriate for infrastructure delivery pipeline. Reform of SOEs also need to be fast-tracked to improve their contribution towards the government's development goals and reduce their dependence on the fiscus. This includes finalising the State Enterprise Bill and its implementation to enhance governance and developmental impact of SOEs.

Process for implementing the Public Sector Professionalisation Framework needs fastracking in order to strengthen the capacity of government departments to deliver on their mandates. This requires enhancing the institutional capacity through skills and professionalism of public servants and modernising the public service through digitalisation to reduce unnecessary red tape to improve delivery and achieve better and faster results. Lessons learned from applying Sections 100 and 139 of the Constitution interventions to enhance the efficacy and accountability of such interventions should be integrated in the overall approach. Fast-track the implementation of State Capture Commission recommendations and reform anti-corruption institutions for improved governance.

CHAPTER 3:

LOCAL GOVERNMENT AND TRADITIONAL LEADERSHIP
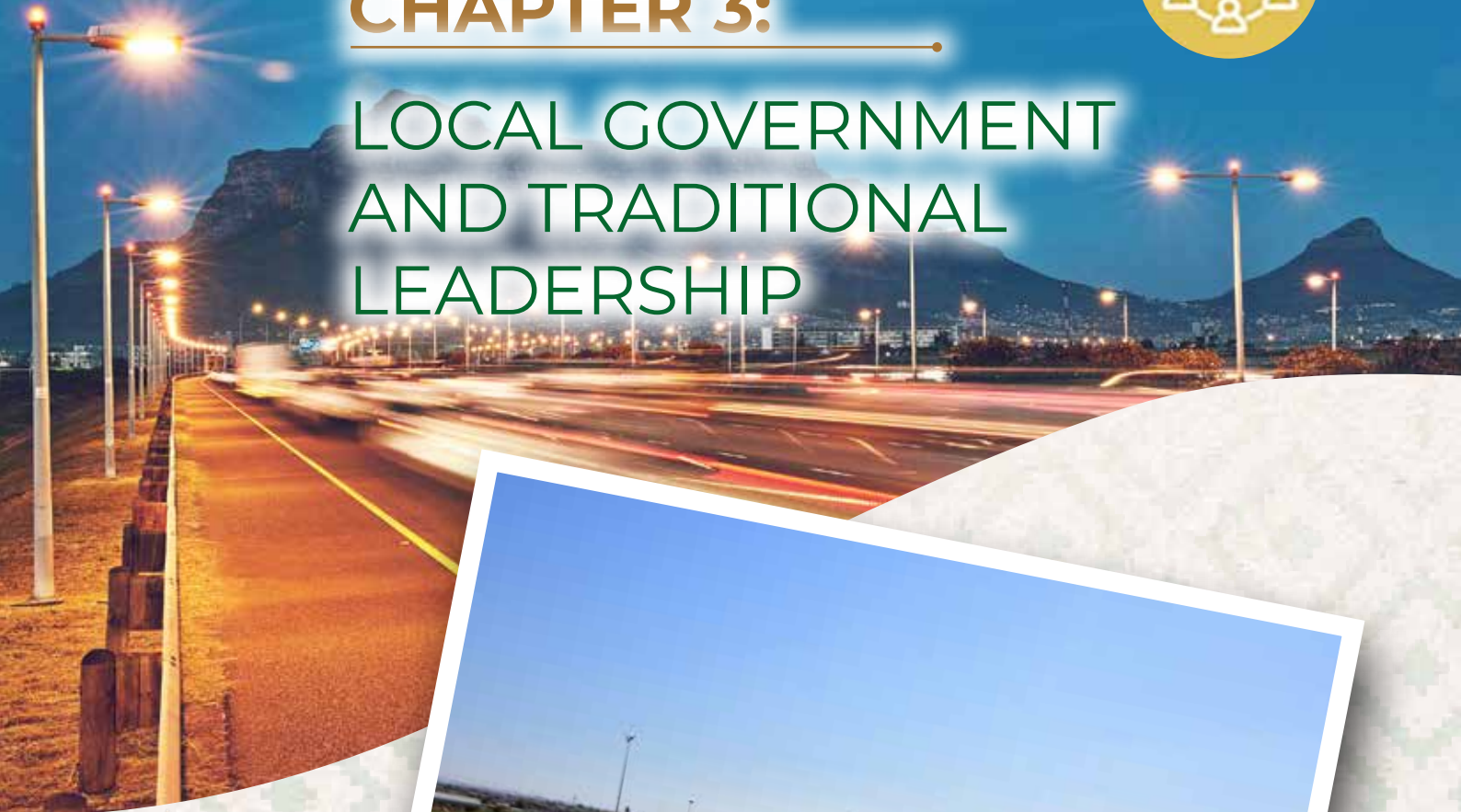
This chapter focusses on the transformation of the local government and the role of traditional leadership in the democratic era. It extends the contents covered under Chapter 2 "Building a capable, ethical and developmental state" by addressing various key aspects at a granular level of local government and the role played by traditional leadership as well as specific challenges and recommended strategic thrusts for the period ahead.

Pre-1994, the local government system in South Africa comprised a multiplicity of fragmented institutions. The system perpetuated prejudices racially skewed model of resource allocation and the provision of government social programmes such as education, health, welfare services, and basic services such as electricity, water, and sanitation. This created unequal access to these basic services, exacerbated uneven development and resulted in vast disparities in human development outcomes.[39] The so-called "black local authorities" suffered from inadequate administration standards, financial mismanagement, and poor infrastructure. In general, the local government system was distorted and failed to meet the needs of the black majority. The local government system in the country today continues to grapple with these significant historical legacies.

The interim Constitution of 1993 underpinned the early phases of democratic transition within the local government sector. The pre-interim phase commenced with the Local Government Transition Act, 209 of 1993 (LGTA) and the negotiating forums in local authorities pending the first local government election. This was followed by the first local government elections held in 1995/1996, leading to the establishment of integrated municipalities which still needed to be fully democratically elected. Subsequently, the local government elections on 5 December 2000 led to the establishment of the current typology of municipalities.

South Africa currently has 257 municipalities, which are categorised as follows:

- Category A (or metropolitan) municipalities have exclusive executive and legislative authority within their areas of jurisdiction. There are currently eight such municipalities, namely Buffalo City, City of Cape Town, Ekurhuleni Metropolitan Municipality, City of eThekwini, City of Johannesburg, Mangaung Municipality, Nelson Mandela Bay Metropolitan Municipality (Gqeberha), and City of Tshwane.

- Category B (or local) municipalities share executive and legislative authority with the district municipalities with which they overlap. There are 205 municipalities in this category.

- Category C (or District) municipalities have executive and legislative authority in areas with more than one local municipality. Forty-four district municipalities fall into this category.

OVERRIDING NATIONAL ASPIRATIONS

The Constitution of the Republic of South Africa established a democratic government as a unitary state with a decentralised system of governance. The Bill of Rights in Chapter 2 of the Constitution includes socio-economic rights, guaranteeing that ordinary citizens will be provided basic services such as adequate housing, access to health care services, sufficient food and water, social security, and education.

The Constitution established local government as a specific sphere of government, giving it a developmental mandate stating that a municipality must structure and manage its administration and budgeting and planning processes to prioritise the basic needs of the community and promote the social and economic development of the community. Section152(1) of the Constitution sets the following five objectives of local government:

- To provide a democratic and accountable government for local communities.

- To ensure the provision of services to communities in a sustainable manner.

- To promote social and economic development.

- To promote a safe and healthy environment, and

- To encourage the involvement of communities and community organisations in local government matters.

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[39] Kaywood, L. 2021. Exploring the History and Development of the Local Government System in South Africa. African Journal of Public Affairs, Vol. 12, No. 3.

Chapter 12 of the Constitution laid the basis for defining the place and role of the institution of traditional leadership in the new system of governance. New legislation needed to be developed to address this matter conclusively. The intent was that traditional leadership takes its rightful place of representing the customary interests of communities, play a role in socio-economic development, and contribute to social cohesion, nation building, and development and be accountable.

The democratic government revamped the budget management system as a key instrument to drive societal transformation. Significant commitments were made to extend coverage of infrastructure for the delivery of basic services to all communities, shifting away from the past orientation that had racial biases. These changes were envisaged to result in fiscal sustainability, improved alignment of spending with new national priorities and the optimal utilisation of existing resources.[40]

Following the NDP Diagnostic Report finding that municipalities were often found with expectations exceeding their available resources, the NDP in 2012 called for a focus towards four critical areas: an enabling framework for local government, a proactive approach to improving intergovernmental relations, a long-term approach to building capacity, and mainstreaming citizen participation.

LEGISLATION, KEY POLICIES, AND PROGRAMMES

The 1996 Constitution introduced the three distinct, interconnected, and interdependent spheres: national, provincial, and local. This meant creation of a wall-to-wall local government system, with municipalities established for the whole territory of the Republic. New municipal boundaries were introduced to cover all regions of the country. The demarcation process considered multiple factors, including demographic, social and economic characteristics of different areas, and the interrelationships among constituent units. This reconfiguration altered the legal landscape of local government, giving municipalities necessary autonomy and a new focus on development planning and delivery of services. A municipality now had the right to govern the local government affairs of its community. This means that while national and provincial governments may supervise the functioning of local government, this must be done without encroaching on the institutional integrity of local government.

Below is an overview of policy and legislation impacting local government:

The White Paper on Local Government (1998)

The White Paper on Local Government was published in March 1998 (hereinafter referred to as the "White Paper") sets out the vision of how local government should work. The White Paper states that local government must play a "developmental role" – in which case local government must "work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives". It also introduced developmental local governments, emphasising the centrality of community participation. The general orientation of local government was therefore expected to target groups within communities that are most often marginalised or excluded, such as women, disabled people, the elderly and impoverished people.[41]

The White Paper on Local Government, 1998, spelt out the framework in which the existing local government system had been transformed. It established the basis for a system of local government. This system is concerned with working with local citizens and communities to find sustainable ways to meet their needs and improve the quality of their lives. It also introduced the notion of developmental local government, emphasising the centrality of community participation in local governance. The White Paper outlines four characteristics of developmental local government, which are, exercising municipal powers and functions in a manner which maximises their impact on social development and economic growth, playing a coordinating role in ensuring alignment between public (including all spheres of government) and private investment within the municipal area, democratising development, building social capital through providing community leadership and vision and seeking to empower marginalised and excluded groups within the community.

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40   L D Hanabe, D Taylor and K Raga, Developmental Local Government Budgetary Reforms - A Case Study of a District Municipality, African Journal of Public Affairs, Volume 10 Number 4, December 2018

41   White Paper on Local Government, 1998

Municipal Structures Act No. 117 of 1998

The Municipal Structures Act dictates the establishment of municipalities according to specific categories, establishes relevant criteria, and describes how powers and functions should be shared. Section 84 of the Municipal Structures Act deals with dividing functions and powers between district and local municipalities. The latest amendments to this Act were introduced on 1 November 2021 through Act No. 3 of 2021.

Municipal Systems Act No. 32 of 2000

The Municipal Systems Act provides municipalities' core principles and processes, including how municipal powers and functions are exercised. It provides for community participation and details the core processes of planning, performance management, resource mobilisation, and organisational change. A municipality is required in terms of the MSA to undertake developmentally oriented planning to ensure that it achieves the objectives of local government set out in Section 152 of the Constitution. The latest amendments to this Act were introduced on 1 November 2022 through Act No. 3 of 2022.

Municipal Finance Management Act No. 56 of 2003 (MFMA)

The MFMA provides for sound financial management practices and budget processes for the sustainable delivery of services. The MFMA stipulates in Section 21 (2) that a municipality's budget must "take into account the municipality's IDP." This requirement for the IDP and budget to be closely aligned is reinforced as required in Schedule A of the 2009 Municipal Budget and Reporting Regulations, promulgated in terms of the MFMA – a mandatory budget component is an "overview of alignment of the annual budget with IDP."

Spatial Planning Land Use Management Act No. 16 of 2013 (SPLUMA)

SPLUMA provides a framework for spatial planning and land use management in South Africa. Section 20 of SPLUMA directs every municipality to "adopt a municipal spatial development framework which must be prepared as part of a municipality's IDP following the provisions of the Municipal Systems Act." The SPLUMA principles provide the goals for shaping land use and call on all three spheres of government to redress spatial imbalances and improve access to land. It introduces the principles outlined in the National Development Plan of spatial justice, spatial sustainability, spatial resilience, and efficient and sound administration to guide land use governance.

Intergovernmental Relations Framework Act No. 13 of 2005

This Act formalises cooperation in the three-sphere system of government and implements Section 41 of the Constitution. Section 4 of the Intergovernmental Relations Framework Act, 13 of 2005 (IGRFA) states that the objective of the Act is to provide, within the principle of cooperative government set out in Chapter 3 of the Constitution, a framework for the national government, provincial governments, local governments, and all organs of state within those governments. This is to facilitate the implementation of policy and legislation, including coherent government, the adequate provision of services, monitoring the implementation of policy and legislation, and realising national priorities.

Municipal Electoral Act No. 27 of 2000

The Municipal Electoral Act regulates municipal elections. The Electoral Code of Conduct promotes "conditions conducive to free and fair elections," creating a climate of tolerance, free political campaigning, and open public debate. As soon as the election date is proclaimed, parties, their agents and candidates commit to adhering to the Electoral Code of Conduct provisions until the election results are officially announced. Failure to do so creates the risk of a party's candidates or independent candidates being disqualified.

MILESTONES AND ACHIEVEMENTS

Provision of basic services

Municipalities play a major role in providing built environment services. Municipalities contribute a considerable proportion toward infrastructure spending in the country. State owned enterprises (particularly ESKOM, Transnet and other major SOEs) contribute over 40% of infrastructure spend; this is focused on enhancing the broader economic-related needs, whilst municipalities concentrate on provision of basic infrastructure.

Provision of formal housing stood at 88,5% in 2022. South Africa has implemented one of the largest government housing delivery programme in the world, targeting poor households. Household access to electricity stood at 94,7%, well above the 90% targeted for grid connection as the balance is to be met through off-grid technologies. Household access to to clean running water stood at 91,3%, while access to sanitation stood at 98,4%. Migration and urbanization have occurred at a much faster pace than government in – especially local government - is able to respond to increased service delivery needs. Demand for housing surpass supply, leading to increase in informal dwelling, and in many instances, undermining spatial development policy intents.

Figure 10: Public infrastructure spend: 2004/5 to 2019/20
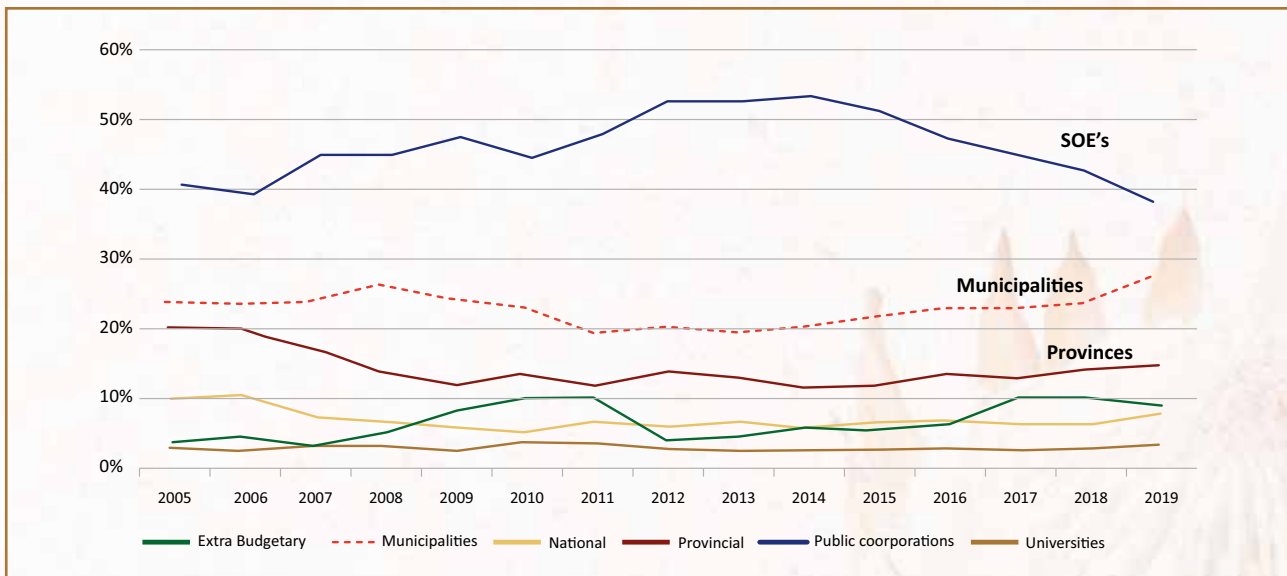
Source: StatsSA, Capital expenditure by the public sector annual reports from 2006

Access to electricity

The Census (2022) reported that South African households using electricity as the main source of energy for lighting increased significantly from 58,1% in 1996 to 94,7% in 2022. In 1996, 28,8% of households utilised candles for lighting compared to the 3,2% in 2022. The use of paraffin declined, with only 0,9% of households using it for lighting compared to the 12,7% in 1996. Overall, households connected to the mains electricity supply was highest in Western Cape (96,5%) and KwaZulu-Natal (96,7%) and lowest in Northern Cape (92,5%) and Gauteng (93,2%).[42] The significant in-migration into the Gauteng province has meant that the overall proportion of the population with access to electricity has declined.[43]

South Africa is currently facing a challenge of energy insecurity, largely attributed to inadequate electricity generation versus growing demand. Load-shedding, an approach of controlled power outages implemented by Eskom to manage the electricity supply shortfall as a way to prevent the collapse of the grid, has escalated in the year 2023. An Energy Action Plan is being implemented to resolve the energy security problem. This electricity supply shortfall has potential to reverse the human development gains achieved through the provision of electricity access infrastructure.

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[42] Stats SA, Census 2022
[43] Stats SA, GHS 2021

Figure 11: Proportion of households with access to electricity for lighting by municipality
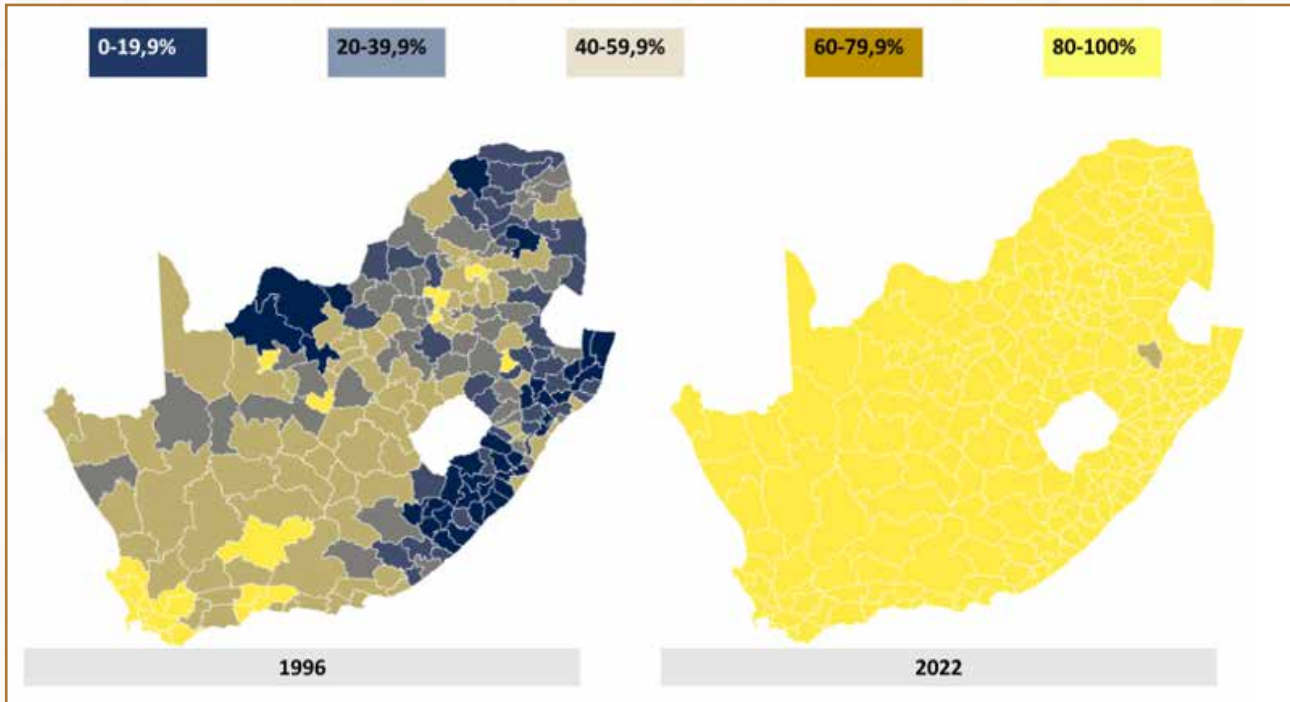
Access to water

The focus for future investment is to ensure sustainable water provision. In 2022, over four-fifths (82,4%) of households in the country had access to piped water either inside their dwelling or inside their yard. The increase in the proportion of households that had access to piped water inside their dwelling shows that the trajectory moved from 32,3% in 2001 to 46,3% in 2011 and to 59,7% in 2022; whilst the proportion of households that accessed piped water off-site (from a water source outside the yard such as a neighbour or from a community stand) halved from17,9% in 2011 to 8,9% in 2022.[44] Over the period 1996 to 2022, the percentage of households with no access to piped water halved (from 19,7% to 8,7%). Tap water inside dwellings, off-site or on-site was most common among households in Western Cape (99,3%), Gauteng (98,3%), and Free State (94,1%) and least common in Limpopo (69,1%) and Eastern Cape (69,8%).[45] There remains is a sizeable proportion of households in Limpopo (20,5%) and Eastern Cape (19,5%) with no access to piped water.[46]

Water resources are a potential area of risk, given the effect of climate change. Besides this, several communities are reporting water shortages, for a range of reasons, including leaks, poor quality installations, poor maintenance, vandalism, theft and others. Estimates show leakages as high as 40% in municipality water systems in certain areas.[47] Coverage gaps in access to potable water in many communities were greatly exposed during the Covid-19 induced lockdowns.[48] There are also challenges of drought – most prominent of those in recent years are the "day zero" campaign in the Western Cape and Eastern Cape. There have also been instances of service delivery failure due to delays/ incomplete last-mile reticulation infrastructure (e.g. Giyani area) and water quality problems (e.g. Hamarskraal, Tswane). The Department of Water Affairs runs the Blue Drop Certification Programme as part of the incentive and risk-based approach to ensure quality in the water and sanitation sector. This Blue Drop metrics provides a mechanism for transparent quality assurance on well-performing facilities and enables targeting of urgent interventions to facilities facing high and critical risk. The 2021 Blue Drop assessment covered 1 186 water systems in municipalities and showed that 566 (48%) of them were at low risk category, 217 (18%) at medium risk category, 136 (11%) at high risk category and 267 (23%) at critical risk category. Overall, the system has regressed compared to situation in 2014.

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44   Stats SA, Census 2022
45   Stats SA, General Household Survey 2022
46   Stats SA, Census 2022
47   Rand Water Integrated Annual Report, 2023; Hlalele, Ilunga and Dinka, 2023 (https://www.imesa.org.za/wp-content/uploads/conf2023-13.pdf)
48   DPME Covid-19 Country Report

Several priority bulk water infrastructure projects are underway in the country as part of the National Infrastructure Plan 2050. Examples are: Phase 2 of the Lesotho Highlands Project to expand water supply to Gauteng, Free State, Mpumalanga, North West and Northern Cape; Phase 1 of the Umzimvubu Water Project, comprising Ntabelanga Dam and Lalini Dam in the Eastern Cape; Expansions to the Clanwilliam Dam (West coast), Hazelmere Dam (eThekwini) and Tzaneen Dam (east of Limpopo); Completion of Nandoni-Ntsami water reticulation projects; Construction of the Umkhomazi water project; Klipvoor bulk water supply; and Pilanesburg bulk water supply.

Figure 12: Proportion of households with access to piped water by municipality
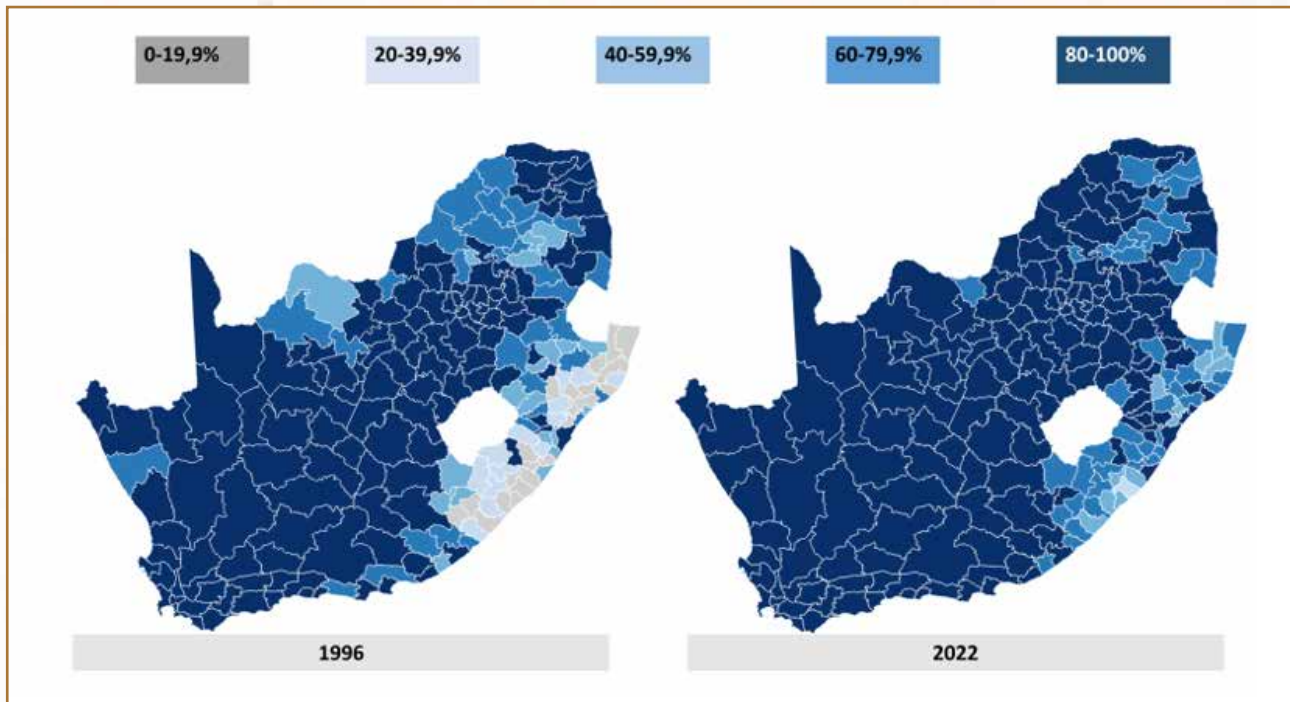
Figure 13: Households access to water either inside or outside their dwelling, per province
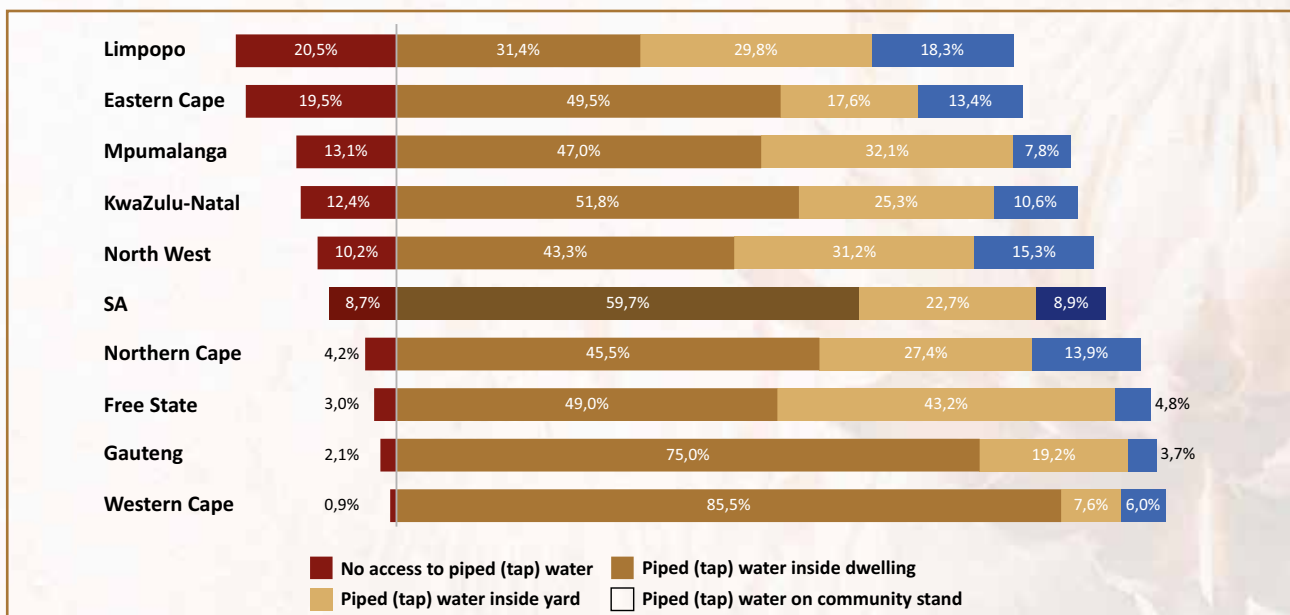
Source: Stats SA Census 2022

Figure 14: National blue drop risk rating
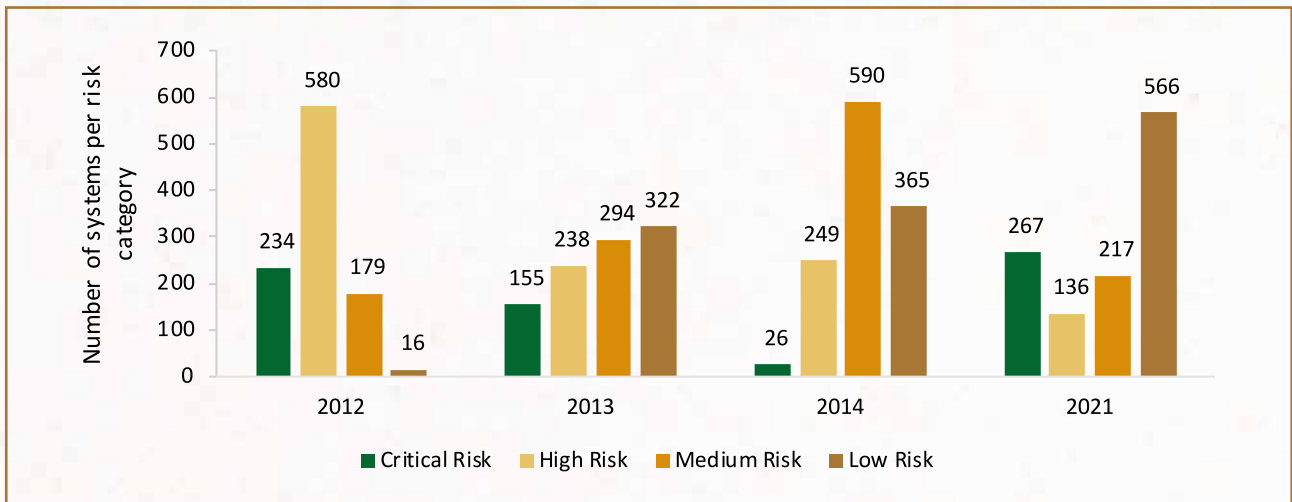
Source: Blue Drop National Report, 2022, Department of Water and Sanitation

Access to improved sanitation services

The percentage of households that gained access to improved sanitation improved between 2002 and 2022 by 21.5%. In 2022, 83.2% of households had access to improved sanitation services.[49] Households that resided in more urban provinces such as Western Cape (93,9%) and Gauteng (89,7%) had access to flush toilets. Northern Cape still had 4,5% of households that used bucket toilets. The majority of the households in Limpopo, i.e. more than half (57,9%), used a pit latrine with/without ventilation pipe as their main type of toilet facility. In fact, Limpopo had three times the amount of pit latrine without ventilation pipe than the national average. Although 58,9% of the households in KwaZulu-Natal used flush toilets, 28,5% used pit latrines with/without ventilation pipe and 7% used chemical toilets. Some households in the Northern Cape and Eastern Cape reported no type of toilet facility, at 4,5% and 3% respectively.[50] Installing pit toilets with ventilation pipes was important in achieving the large improvements. Various constraints, included rural locations, the high cost of sanitation systems, rapid household growth, and urbanisation, contributed to the slow progress.

Removal of solid waste

The proportion of households whose refuse is removed by a local authority, private company, community members at least weekly or less increased from 65.4% in 2016 to 66.3% in 2022, the highest this figure has been since 1996. The total number of business and residential units receiving solid waste services from the local government was increased to 10.3 million units in 2019[51]. The collection of solid waste services is significantly higher in urban areas than in rural areas.

Household recycling is extremely important to ameliorate the huge negative impact household waste is having on the environment, with more than 80.6% of metropolitan households not separating their waste for recycling and only 6.1% actively recycling their household waste[52]. Informal waste pickers are important in ensuring that products such as paper and cardboard are recycled in many metropolitan areas.

In 2000, the government announced a programme of Free Basic Services (FBS) for indigent households, which would guarantee a minimum package of tariff-free essential services[53]. The services for indigent households were meant to be derived from the 'equitable share' of nationally raised revenue provided for in the Constitution. The national departments set the standards for the quantity of services provided[54]. Essentially, a municipality must offer vital household service packages to the impoverished residents within its jurisdiction. Overall, there were 2.7 million indigent households identified by municipalities, a decline of 22.8% between the 2019/20 and 2020/21 financial years. The number of indigent households benefiting from FBS has decreased over the past financial year.

[51] 2020 Financial Census
[52] Stats SA, GHS 2022
[53] SA Govt, 25-year review, 2019
[54] DPLG, Indigent policy implementation guidelines

The provision of free basic services (FBS) to consumer units underwent a notable decline across all services from the 2020 to the 2021 financial year. This intriguing shift can be attributed to various factors, including changes in household eligibility for these benefits.

The indigent system must be carefully targeted and not exploited by households who can afford to pay. The indigent system must be continually monitored to ensure that indigent households are supported and that the system for application for indigent support is functioning well.

Figure 15: Proportion of households with access to weekly refuse removal service
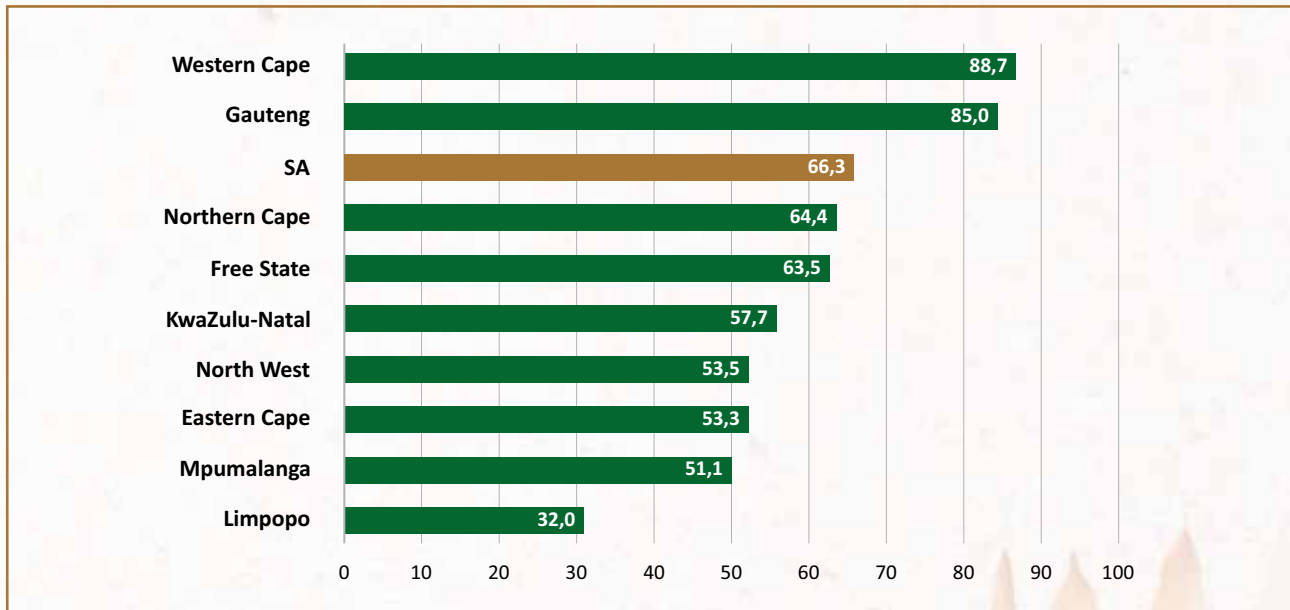
Source: Stats SA, GHS 2022

Municipal finance

Promulgation of the MFMA has significantly impacted municipal governance. It has introduced an important innovation that placed South Africa at the forefront globally in terms of transparency of local government finances, requiring publishing of quarterly reporting information on each municipality, including developing transparent procedures for measuring financial distress. The downside, however, is that this system introduced more requirements for compliance and reporting by municipalities.

According to the state of local government assessment, the number of dysfunctional municipalities increased to 66 in 2022, from 64 reported in 2021. A range of issues causes dysfunctionality including poor governance, weak institutional capacity, poor financial management and political instability, which negatively affect service delivery to communities. The number of medium-risk municipalities sits at 107. The count of low-risk municipalities is at 54, indicating a significant consolidation of stability in these regions. Whilst 30 municipalities sit in the stable category. Most of these municipalities were in the Eastern Cape, KwaZulu-Natal, Free State, North West, and Limpopo.

The Municipal Infrastructure Investment Framework (MIIF) analyses municipalities and has divided them into seven groups:

A: metros, (ii) B1: secondary cities; (iii) B2: municipalities; (iv) B3: municipalities; (v) B4: municipalities which are mainly rural with, at most, one or two small towns in their area; (vi) C1: district municipalities that are not water service providers; (vii) C2: district municipalities that are water service providers. The degree of differentiation across municipalities is captured in the following table which provides a set of financial indicators disaggregated by MIIF municipal groupings: some budgetary measures as well as the degree of dysfunctionality (high, medium, low, stable) of municipalities within each group. The table shows that whilst the eight category A municipalities have around 40% of the population of SA, their budgets show that they constitute a far greater proportion of the overall SA municipal budget than that 40%.

There are over 40 grants available to municipalities for infrastructure and capacity building. Some of these grants are provided directly, and others indirectly. MIG and USDG grants taken together are significantly larger than the rest. The Municipal Infrastructure Grant (MIG) programme is the largest local government infrastructure development funding in South Africa. The programme was introduced as part of major reforms to coordinate service delivery. The MIG is a conditional grant given to municipalities. Those funds are used to maintain infrastructure, such as roads, pipes, and wastewater treatment plants. Trends in revenue contributions from both property rates and service charges indicate that property rates have varied in their overall contribution to the operational revenues and have been below or at 50%. On the other hand, service charges have been less than 20% of the total operating revenue. However, they do show a slight decline over the past 18 years.

Figure 18 indicates the degree to which municipalities have been in financial distress between 2008/09 through 2019/20. The most common indication of financial distress in a municipality is liquidity challenges. Municipalities with liquidity challenges fail to collect the money owed and lack the resources to pay their short-term obligations. This has significant implications for the political, social and economic state of affairs in a municipality.

Section 126 of the MFMA requires municipalities to prepare and submit their annual financial statements to the officer of the Auditor-General. Nationally, for the 2021/22 financial year, of the 257 audited municipalities, only 38 (15%) received clean audits. Six municipalities (2%) received adverse audits, 15 municipalities (6%) had received disclaimers, and 16 audits (7%) remained outstanding.

Concerns flagged by the Auditor-General included the inefficient use of external consultants, insufficient investment in infrastructure management and maintenance, including water-treatment facilities, widespread financial distress, and poor financial planning. Overall, municipalities needed to improve at the requisite pace, which the Auditor-General attributed mainly to three root causes: inadequate skills and capacity, governance failures, and a lack of accountability and consequence management.

Figure 16: Differentiation across MIIF categories of municipalities

	A	B1	B2	B3	B4	C1	C2
	8	**19**	**26**	**101**	**59**	**23**	**21**
Population	41%	15%	8%	14%	21%	27%	31%
Capex	45%	12%	6%	11%	12%		14%
Opex	59%	15%	6%	9%	5%		5%

Figure 17: Degree of dysfunctionality by MIIF category of municipality
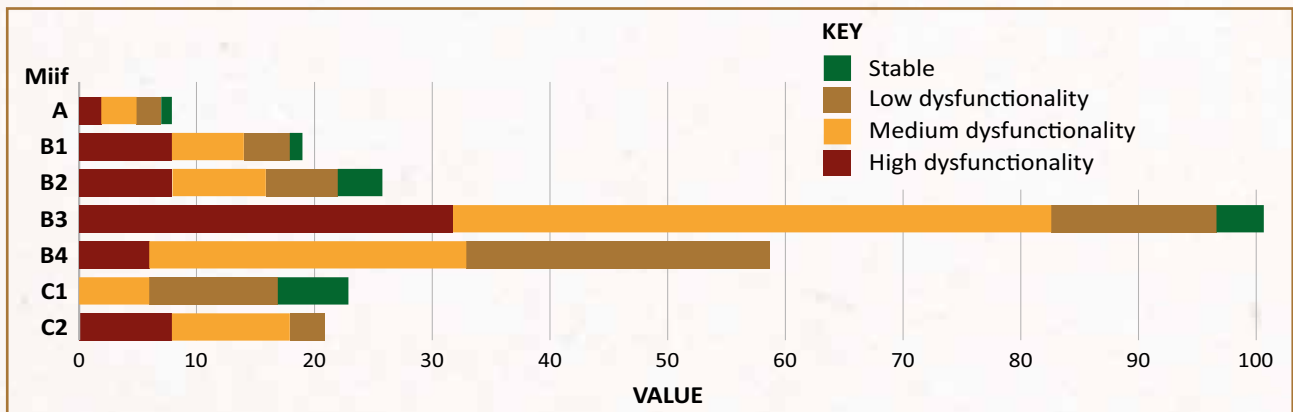
Figure 18: Number of municipalities in financial distress from 2010/11 to 2020/21
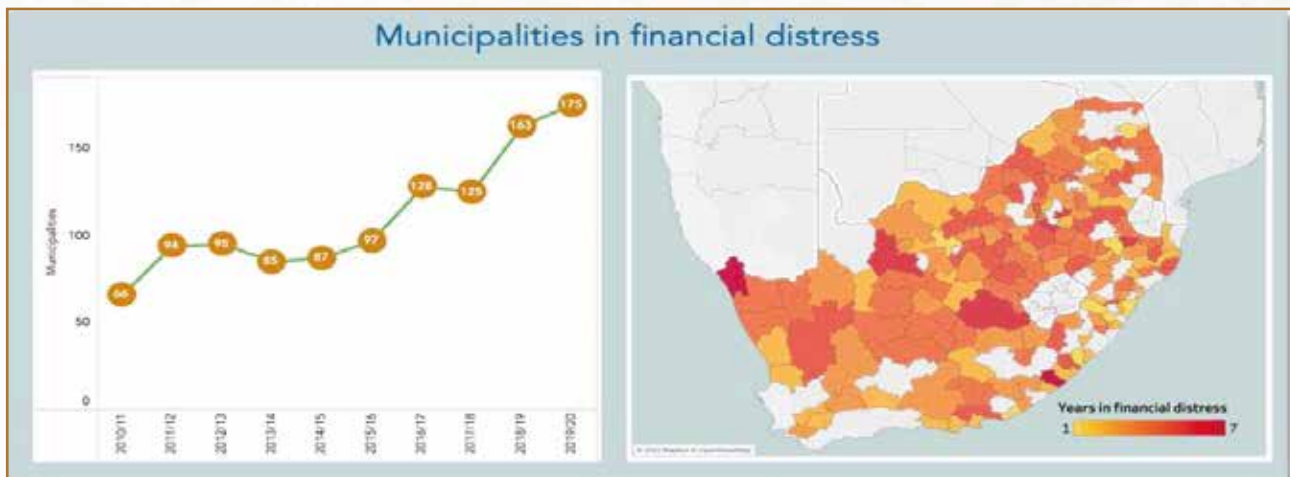
Community participation and engagement

In the realm of participatory governance, responsiveness and accountability, the Batho Pele White Paper on the Transformation of Public Service Delivery (1997) introduced eight principles for service delivery improvement. The Batho Pele principles faced implementation challenges, including a lack of skills and policy-planning alignment issues. M&E findings by bodies like the PSC and DPME highlighted these deficiencies, emphasising the need for a redesigned and revitalised implementation approach. The DPSA invested in revitalisation strategies in 2022, recognising the necessity of context-specific service standards and operational process changes.

The local government legislative environment articulates the requirements for communities to participate in municipal government affairs through consultative processes around policy and plan formulation, budgeting, and other processes. All the major municipal legislation require community participation of one form or another, and in South Africa there is an extensive set of regulatory frameworks for public participation in local government. Various community participatory mechanisms have been established, and planning frameworks have been set up at different levels (National Planning Commission, Integrated Development Plans, Spatial Development Frameworks, Provincial Growth and Development Strategies, etc.)[55].

Over the past twenty years, municipalities have made progress in providing more effective services, but this has not always translated into greater public support and confidence[56]. Community protests expose the deep concerns that many communities have about municipal accountability and competence.
Most worryingly is that the violent nature of protests has increased over time, including public properties being damaged (the burning of tyres and barricading of roads), arson or attempted arson, and private property being threatened (stoning of passing cars and threats to councillors' homes), residents (school children and work-goers) are threatened; death, injury or arrests occur; shops are looted, and foreign nationals are threatened and attacked.

Ward committees were established to provide a vital link between ward councillors, the community, and the municipality and allow community members to influence municipal planning to better address their needs. In 2021, 98% of municipal wards had established ward committees but reports estimate about 11% of the established ward committees to be non-functional. However, various participatory mechanisms introduced since 1999, such as the Thusong Service Centre Programme, Community Development Workers, and Service Delivery Improvement Plans, have faced criticism for their contribution to declining citizen trust in public institutions. The Edelman Trust Barometer (2023) notes South Africa's deep mistrust compared to other democracies globally. The trust deficit prompts a call for social compacts and multi-stakeholder summits to rejuvenate stakeholder engagements and partnerships, including through the DDM Izimbizo and coalface monitoring of the quality of public services.

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55   ANC NGC, 2015
56   Turok, 2018

According to Mbanga[57] (2019), even though legislation supports public or community participation, both municipalities and their communities still fall short in this area. Some of the reasons that are cited by various authors are:

- Inadequate resources in municipalities to facilitate community participation.

- Non-payment of Ward Committee members who cannot afford to travel to meetings.

- High illiteracy in Councilors who cannot make sense of technical documents and reports written in English.

- Social position and elitism.

- Political patronage manifested in Ward Committee members nominated in line with political affiliation. Lack of understanding of the Ward Committee system (citing Ngamlana, 2010; Phago, 2008; Nzimakhwe & Reddy, 2008)

KEY CHALLENGES REQUIRING GREATER ATTENTION

Municipal administration

In 2022, the local government employed approximately 270,000 people across the country. Most municipalities experience capacity constraints. However, there are significant disparities across municipalities, economically and politically, spatially (urban versus rural), performance, and capacity (either human resource, financial or institutional). These constraints cause growing concerns over the capability of the state to deliver services to its constituents.

Vacancy rates for municipal managers and CFOs average almost 25%. The premature departure of municipal managers and chief financial officers, many of whom still need to serve their five-year appointments, is a significant problem leading to administrative instability.[58]. Experience is lost to the municipality; new managers may undertake administrative restructuring exercises, adopt new strategies and plans, change budgets, and make changes in appointing senior managers. Whilst these may be necessary, they have a profoundly negative impact on staff productivity in the short term. When this process is repeated more than once over a five-year term, it has a detrimental impact on service provision and municipal functionality. Challenges are still widespread. Almost three decades later, the local government has evolved into a place marked by systematic dysfunction. The fiscal and infrastructure conditions of municipalities have raised serious concerns. As of June 2022, according to South Africa's Auditor General, 29% of municipalities were on the brink of total operational collapse. Most municipalities have allocated minimal resources to infrastructure repair and maintenance, and are burdened with high irrecoverable debt. This dire situation has been attributed to governance failures, limitations in capacity, and the erosion of financial viability.[59]

The state of local government today dictates extremely rapid changes at the national, provincial, and local levels. Municipalities must find new ways to sustain their economies, build their societies, protect their environments, improve personal safety, and eliminate poverty.

Capacity-building initiatives have been implemented to support municipalities, however poor coordination and duplication of efforts still need to be improved. In this regard, there is a process to finalise the integrated capacity building strategy. It has also developed an online skills audit system accessible to all municipalities. Regulations for senior managers and municipal staff have been publicised to introduce uniform staffing standards and procedures. These regulations are linked with competency requirements for each occupational level. It is concerning that reports show that most senior managers in municipalities still need to meet prescribed minimum competency requirements.

Many additional initiatives have already been made over the period, including:

- Amendments to local government legislation (e.g. Municipal Systems Amendment Act, 2022) governing the recruitment and appointment of senior municipal officials which reduces the risk of political interference in the Human Resources Management System.
- The development of career pathing programmes for officials.
- The professionalisation of municipal public servants in line with the National Implementation Framework towards the Professionalisation of the Public Service (2020).
- Single public service shared services model.

Undoubtedly, investing in capabilities to strengthen political and administrative management systems and continued monitoring of staffing appointments and turnover is the first line of defence, and accountability must remain a key priority.

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[57] Mbanga, S. 2019. Poverty increase against infrastructure development: Rethinking the Sustainable Livelihoods Approach for rural development in South Africa. A paper presented in the South Africa Sweden University Forum (SASUF) Sustainable Urbanisation Symposium, 6 May 2019, Port Elizabeth, South Africa. ISBN 978-1-928472-12-4.

[58] Urban-Econ. 2019. State of staff turnover & retention in municipalities of South Africa. Final Report. Prepared for LGSETA.

[59] Consolidated General Report on Local Government Audit Outcomes MFMA 2021-22

Many municipalities find attracting, hiring, and retaining skilled staff difficult. This is a significant problem in rural municipalities where their location and salary offerings fail to attract skilled technical staff. However, it is also a problem in more centrally located municipalities where skilled technical staff is locally accessible. Problems with recruiting in these municipalities are related to concerns that municipal working environments may be over-politicised, subject to instability, and beset with corrupt activities. Often, the problem is that the system to detect and stop corruption is used to further political aims or remove individuals who resist corruption.

Municipal elections

The municipal electoral system has had five municipal elections, all of which have been declared free, fair, and safe with almost no disruption of the elections. However, the increasing number of "hung" municipalities has compounded instability. The number of hung councils increased from 29 in 2000 to 81 in 2021.

The 2021 elections were conducted under exceptionally difficult circumstances due to the COVID-19 pandemic. Despite the significant increase in the number of candidates contesting elections, 324 parties and 1550 candidates, the turnout was relatively low at 46%. Almost half the parties contesting elections did not win a seat, and out of the 1550 independent candidates standing inwards, only 51 won seats.

Also, the number of hung councils increased significantly from 29 in 2000 to 81 after the 2021 elections, bringing many governance and service delivery-related challenges within municipalities. The high number of hung councils highlighted the need to strengthen the guidance on forming and managing coalition councils. Coalition negotiations must be aimed at a coalition agreement that represents a broad alignment of interests and, importantly, serves as an agenda for the incoming coalition government. The political office-bearers may consult their party structures on certain matters to obtain a party mandate. However, the negotiations in this 'coalition caucus' over specific agenda items must be conducted by the municipality's political office-bearers. These negotiations should be conducted by someone other than party officials who are office-bearers in the municipality. Otherwise, 'unelected' party officials become too involved in the daily running of the municipality. This blurs the line between party and state. For municipal administrations, coalition governments are undoubtedly more challenging to manage.

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60   Jennica Beukes Report, 2021
61   South African Cities Network. 2021. The challenges and issues facing local government - beyond 2021: a local government outlook.

SYNTHESIS REPORT

Text box 1:
Lessons from the application of Section 100 and Section 139 of the Constitution

The following common lessons are drawn from various interventions across the provincial departments and local government.

Lesson 1: Managing the political-administrative interface. Appointed administrators must often deliver results in contested political environments where interests are inside and outside. Also happens in an environment of threats to personal safety. Delivering positive results requires close cooperation between the political, administrative, and security functions involved in an intervention throughout the project.

Lesson 2: Exploitation of regional and ethnic tensions: Administrators are under siege - implementation of interventions required careful anticipation of regional sensitivities, engagement of local stakeholders, transparent contracting processes, and public awareness campaigns to enable continuous communication to inform citizens and mitigate the impact of negative propaganda.

Lesson 3: Effective operational coordination for successful intervention. Effective interventions require well-coordinated efforts across government – national executive authorities (EAs), national HoDs and agencies, and provincial administrative leaders. Regular interactions enabled shared insights and collaborative action. The coordinator's role requires experience, emotional intelligence, and political savvy. Intervention teams must not rely on resources from the provincial treasury or provincial department under intervention, as this creates opportunities for frustrating intervention objectives. Intervention teams must have suitable ICT connectivity – efficient, effective and secure. Security and protection should be continuous, based on frequent risk assessments.

Lesson 4: Challenges of unregulated outsourcing. Rigorous oversight and regulation are essential when outsourcing. Clear contractual obligations, periodic audits, and operational transparency ensure that PMOs or other outsourced entities align with the government's broader goals and maintain public trust.

Lesson 5: Consequence management and criminal investigations. There must be rapid and visible consequence management. The lack of this risked creating a culture of impunity and a 'wait-and-see' approach from people who would otherwise support the intervention.

Lesson 6: Prioritising transparency and effective communication. Effective communication must enable transparency and regular updates to highlight successes and challenges. It should provide a holistic view of progress and open feedback channels, allowing officials and the public to voice concerns, provide feedback, or seek clarification. There must also be public disclosure of all significant findings, especially those pertaining to financial matters or governance changes, to build public trust.

Coalitions, however, have an advantage because the policy is agreed to across parties, is often more robust, and can endure future government changes[60]. However, these are often prone to conflict and instability. Twenty coalitions have been formed in South Africa. Coalitions are likely to become the norm going forward; therefore, political parties must navigate around this concept and embody the maturity to ensure that service delivery is not compromised[61].

Given that some of the major political parties have opted out of formal coalitions following the 2021 elections, it is likely that the 81 "hung" councils could end up with minority governments for five years. However, in many of these cases, the "minority" governments would still have representation from the larger parties if they were executive committee types.

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[62] Von Fintel, 2018
[63] DPME, 2019 Development Indicators

At the same time, if there is persistent instability in such municipalities, provisions in law for the dissolution of such councils and the holding of fresh elections may be necessary; this has only happened in a few instances.

Section 100 and Section 139 Constitutional Interventions

Section 100 and Section 139 of the Constitution allows interventions to resolve challenges of governance. Section 100 allows the national government to give instructions or assume responsibility for provincial functions to resolve service delivery failures or financial management obligations. Section 139 provides similar authority to the provincial government over municipalities. In particular, Section 139 provides for provincial and national interventions in municipalities when a municipal council or the municipal administration fails to execute their executive obligations in terms of the Constitution or legislation. Section 139 outlines the five instruments in which a province may intervene in a municipality.

Various levels apply, in which 139(1)(a) Issuing a Directive; 139(1)(b) Assuming responsibility; 139(1)(c) Dissolving the Municipal Council; 139(4) Taking appropriate steps to ensure that the budget or revenue-raising measures are approved; and 139(5) Imposing a recovery plan and possible dissolution of the Municipal Council.

Triggers of interventions and challenges faced by municipalities ranged from lack of service delivery, financial mismanagement, poor governance, political and administrative instability, and failure to pay creditors, salaries and third parties at these municipalities. The most common difficulty municipalities experience is poor financial sustainability. Often, this has been due to a lack of adequate systems and capacity to manage the financial situation effectively. The result is typically that the municipality does not raise sufficient revenue due to poor budgeting, poor tariff policies, weak billing systems, poor infrastructure management, and lack of internal controls resulting in fraud and misuse of municipal funds, lack of credit control or failure to implement credit control, and lack of the implementation of the debt collection policies.

Records show that about 170 interventions have been invoked in municipalities since 1996 to date. About 15 of these interventions have subsequently been set aside.

Section 100 has been invoked on several occasions. In 1998, it was invoked for the Eastern Cape and Free State (Provincial Treasury; Police, Roads, and Transport). In 2011, the Eastern Cape Department of Education and the five provincial departments in Limpopo (Provincial Treasury, Education, Health, Public Works, and Roads & Transport) for failing to pay civil servants and budget overrun exceeding R1 billion; Gauteng (Health). Section 100 in the North West covered 10 departments (Office of the Premier, Finance, Health, Local Government and Human Settlements, Public Works and Roads, Social Development, Education and Sports Development, Rural, Environment and Agricultural Development, Community Safety and Transport Management, Tourism). Challenges in North West included widespread governance, administrative and service delivery failures, including allegations of corruption, overpricing of items and collusion between officials and businesses. Further concerns included the confrontational posture of the provincial government to the national government and Chapter 9 and 10 institutions.

Research conducted on behalf of the National Treasury into the efficiency of Section 139 interventions revealed that a careful review of the problems in municipalities has not always informed triggering of a specific Section 139 intervention. Lessons drawn from these interventions should be integrated into future processes in order to improve efficacy of these interventions and accountability.

Creation of liveable, integrated cities, towns, and rural areas

The pre-1994 South Africa policies created the country's unique spatial inequality patterns. Its various restrictions interrupted the process of industrial agglomeration. Many homeland areas had high concentrations of population but did not develop to the same extent as formal urban areas[62]. In addition, many homeland locations were remote or had difficult geographic conditions.

Approximately 2.1 million households live in informal structures, half of which are in the eight metropolitan cities[63]. Many of these informal settlements are growing rapidly, and municipalities cannot cope with the increasing service delivery requirements and the shortage of suitable, well-located land for low-income households.

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[64]   Daily Investor 4 September 2023. South Africa has a severe shortage of engineers. https://dailyinvestor.com/south-africa/29328/south-africa-has-a-severe-shortage-of-engineers/

In integrated development planning, it is notable that the legislation and policy around integrated planning are in place and have been improved over the years. The IDP process was meant to enable planning around needs prioritised in consultation with community groups. It aimed to facilitate vertical integration with national and provincial policies and programmes, and gear municipal resources and capacity to meet the objectives identified in integrated development plans.

Municipal infrastructure development: Service delivery challenges

Local government has been confronted with capacity challenges to deliver services. The challenges persist. The challenges include providing basic services such as water and sanitation, roads and stormwater, electricity, and solid waste management, and are mainly attributed to municipalities' lack of adequate capacity to perform their functions. Most municipalities cannot govern, administer their affairs, manage finances, or manage the infrastructure to generate revenue and deliver services. From an infrastructure point of view, many cannot plan, deliver, operate, and maintain infrastructure.

Over the past fifteen years, local government has experienced a loss of qualified and experienced professionals. According to research, senior engineers in local government have been replaced by junior technicians.[64] This lack of experienced professionals in the workplace means incoming graduates may not have access to structured mentorship programmes.

Municipalities continue to experience a decline in revenue and a growing gap between the maintenance of backlogs and what is left available in terms of their funding; National Treasury has set up a dedicated grant that will allow municipalities to access additional resources for infrastructure refurbishment. Municipalities are supported to explore and exploit alternative funding sources towards implementing infrastructure projects to address backlogs.

Infrastructure catalyses development, ultimately creating employment opportunities and reducing poverty and inequalities. Municipal financial stability is key; hence, various funding methods should be explored to provide quality services to communities. National government plays an integral role in ensuring that municipalities' planning and delivery of infrastructure is aligned and spatially coordinated, promoting and supporting the implementation of alternative forms of labour-intensive infrastructure projects, improving access to water and sanitation services, supporting the development and rollout of long-term resilient infrastructure investment plans for each district space and supporting municipalities to reduce their environmental impact through waste minimisation and remediation.

CoGTA, in its State of Local Government report of 2021, raises concerns about the continued decline in service delivery across municipalities in the country. The report has made several recommendations, including the following:

- The need to maintain and upgrade ageing infrastructure treatment plants.
- To implement improved water conservation programmes.
- Alignment of social labour plans and service delivery challenges.
- Enhancement of capacity in technical divisions through skills development programmes.
- Prioritise youth, women, and persons with disabilities to address high unemployment through the implementation of grant-funded projects, and
- Support municipalities in developing master plans, operations and maintenance plans, and revenue enhancement strategies.

The service delivery challenges reported over a period of 30 years (since 1992) relate to huge municipal infrastructure services backlogs (water, sanitation, roads, stormwater, electricity, solid waste, etc.); socio-economic and spatial planning; urban sprawl integration with adjacent settlements; service delivery and infrastructure maintenance; inequality; intra-local government and inter-governmental relations; poverty gaps, and transformational issues (women, youth, traditional communities, and local government).

Climate change

South Africa is a water-stressed country, and insufficient water is the most significant resource constraint on development. Over the next 50 years, climate change projections predict that the western parts of the country will become drier and the eastern parts wetter, with increased temperatures in the interior and an increased frequency of extreme weather events. Regarding natural and human-induced hazards, South Africa is mostly affected by floods, droughts, and fires. Droughts are considered the most relevant hazard in economic losses in South Africa, and the agricultural sector is experiencing severe impacts due to droughts.

Few municipalities have actually developed climate change action plans. There are some exceptions, though, particularly the major metropolitan municipalities that have played a major role in setting and influencing the direction of the national policy agenda on climate change. These municipalities have invested human, financial, and other institutional resources to raise the political and social profile of climate change as one of the key challenges to the country's future development. However, all municipalities face challenges, particularly with the financial resources necessary for ensuring that climate mitigation and adaptation are realities.

Traditional Affairs Sector

Part of social transformation post-1994 was a focus on the institution of traditional leadership as required in terms of Chapter 12 of the 1996 Constitution.

Key achievements include establishing legislative frameworks that align traditional leadership governance, democratic governance, constitutional principles, and government transformation imperatives. The enactment of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003) (2003 Framework Act) and the National House of Traditional Leaders Act, 2009 (Act No. 22 of 2009) (2009 National House Act) and their subsequent repeal by the Traditional and Khoi-San Leadership Act of 2019 bear testimony to that. Traditional leadership remains a cornerstone of South Africa's societal fabric, with an estimated 20,000 leaders (including kings/queens, senior leaders, headmen, and headwomen) functioning through various established structures. The organisational hierarchy encompasses statutory and non-statutory frameworks, prominently featuring the National, Provincial, and Local Houses of Traditional Leaders and Traditional Leadership Councils. Therefore, the traditional affairs sector's socio-economic development programmes will contribute to social and economic transformation, social cohesion, integrated and inclusive rural economy, and nation-building in the country.

For many years, there was no national legislation to regulate customary initiation. The Customary Initiation Act (CIA) was passed into law in 2021. This is one of the critical milestones for the government because the act provides norms and standards that regulate the practice across the country and will possibly reduce the number of deaths, injuries, and abuse of initiates. In the two years since its implementation, the government has made significant progress in establishing customary initiation statutory structures, namely, the National Initiation Oversight Committee and National Initiation Coordinating Committees. Despite the notable progress, more can still be done to tackle the many challenges associated with customary initiation in the country.

Legislation provides statutory functions to traditional leaders and their statutory structures which expected to implement the legislation and perform certain functions. Since the coming into effect of the Traditional Leadership and Governance Framework Act of 2003, however, these structures have not been adequately resourced. This has been a source of tensions between the institution of traditional leadership and government.

Section 81 of the Municipal Structures Act promotes harmony between the two spheres of government for effective and efficient service delivery. The TKLA also amended Section 81 of the Municipal Structures Act and provided clear roles and functions for traditional leadership in municipal councils. This important provision enables a traditional or Khoi-San leader to address the municipal council on any matter directly or indirectly affecting their communities and facilitate the involvement of the communities in the development or amendment of the integrated development plan, among others.

Several municipalities that have included Traditional Leaders in Sections 79 and 80 Committees have recorded improved collaborative relations and delivery of services. This mechanism enables traditional leaders to contribute their views on issues affecting their communities before such could be tabled and decided upon by the municipality.

The DDM, on the other hand, offers an excellent window of opportunity to strengthen further relationships between municipalities, traditional leadership, and other organs of state. At a District level, the TKLA provides for establishing a Local House of Traditional and Khoi-San Leaders. The Local House thus becomes the apparent entry point to pull traditional leaders into DDM IGR Structures.

The traditional leadership sector is inundated with traditional leadership disputes and claims. The disputes cause instability and threaten social cohesion in traditional communities. They have also been proven to affect the implementation of government programmes, development, and service delivery as the leadership positions remain vacant for extended periods or the incumbents are distracted by ongoing disputes. One of the legislative interventions in this regard has been the promulgation of the Traditional and Khoi-San Leadership, which enhanced the provisions in the previous legislation to empower the government to establish dispute investigative committees. The Act has, however, never been able to address the persistent succession disputes in the sector.

Some of the key lessons for strengthening traditional leadership and implementation of traditional affairs legislation are: to ensure issues raised by traditional leadership on spatial land use management, land tenure rights and other land-related legislative matters are addressed; that the successful collaborative model on mediating between the private sector and traditional communities in pursuit of harmonising cultural and environmental sustainability. The DDM offers an excellent window of opportunity to strengthen further relationships between municipalities, traditional leadership, and other organs of state; and a need to strengthen the implementation of traditional affairs legislation and resolutions of the IMTT on Traditional Leadership, and address land-related concerns raised by traditional leadership.

LESSONS TOWARDS VISION 2030

Provision of basic services and municipal infrastructure development

- The indigent system should be carefully targeted and continually monitored to avoid exploitation by households that can afford services.

- Develop a Comprehensive Infrastructure Plan (CIP) to serve as a business model that provides for the implementation of the IDP by focusing the efforts of government programmes in a consolidated manner towards sustainable service delivery.

- Maintaining and upgrading ageing infrastructure treatment plants and implementing improved water conservation programmes are also necessary.

- Support municipalities in developing master plans, repairs and maintenance plans, and revenue enhancement strategies.

Municipal spatial planning

- Strengthen implementation of the District Development Model, including participation by all government and social partners.

- Institutionalisation of the Integrated Urban Development Framework (IUDF) to reverse apartheid spatial patterns, ensure resilience and quality of human settlements, and ensure sustainability and efficiency of the overall planning system.

Municipal administration and capacity

- Review the local government fiscal framework. A differentiated approach is needed to ensure the policy is well-tailored to overcome unique issues individual municipalities face.

- Professionalisation and capacitation of local government, including critical technical skills such as qualified engineers.

- Rethink governance of municipalities as developmental enterprises – innovations to expand revenue base and incentives to attract investment.

- Better management and implementation of Sections 139 interventions & 154 support – Focus approach on triggers for the interventions and continuous support for sustainable service delivery.

Institutional and political systems

- Strengthen regulatory framework on the formation and management of coalition councils. Coalitions are likely to become a norm going forward. Therefore, political parties must navigate around this concept and embody the maturity to ensure that service delivery is not compromised.

- Greater involvement of traditional leaders in local government Sections 79 and 80 Committees to foster cooperation in improving service delivery and responsiveness

- Take steps to stop political violence, crime, and corruption in local government.

- Prioritise youth, women, and persons with disabilities to address high unemployment through the implementation of grant-funded projects.

CHAPTER 4:

ECONOMIC PROGRESS, TRANSFORMATION AND EMPLOYMENT

This chapter examines the South African economy over the last three decades, focussing on the milestones and achievements in the cross-cutting areas of macroeconomic policy, employment and the labour market, investment and infrastructure development, economic transformation, industrial policy, competition and economic regulation, science and technology, trade and investment, as well as selected sector focus areas, namely transport networks, mineral resource, tourism, and the digital economy. The chapter also highlights specific shortcomings and proposes strategic thrusts going forward.

South Africa's first democratically-elected government inherited an economy in crisis. GDP growth had averaged just 1.2% in the preceding decade, and in 1989, South Africa entered a four-year depression from which the economy slowly emerged in 1993. The labour market was structured along racial lines, with limited education and employment opportunities for the majority of black people. Public debt, and especially foreign debt, was high, exports remained subject to international sanctions, and domestic industry was generally uncompetitive – in part due to having developed behind high tariff barriers and generous subsidies offered by the apartheid regime. This led to highly concentrated chemical, steel, finance and retail markets. More importantly, apartheid policies had explicitly barred black South Africans from entrepreneurship, capital accumulation, land ownership, jobs and education opportunities. The resulting deep levels of inequality and poverty contributed to the persistence of deeply inequitable wealth, economic power and productive resources owned by a small minority of white-owned firms, which dominated all major sectors of the economy. This also led to extremely high concentration levels in the economy, which incumbent firms have used to discourage new entrants. Moreover, much of the economic activity had been concentrated in just three industrial growth poles surrounding Cape Town, Durban and Gauteng. The democratic government also inherited certain capabilities that needed to be taken forward. these include scientific and research capabilities particularly in fuels and petrochemicals, defense sectors and industrial capabilities in comprising mining, agriculture, manufacturing and the banking system. There were also large state-owned enterprises in key utilities and infrastructure of ports, rail and major road networks connecting the main hubs.

OVERRIDING NATIONAL ASPIRATIONS

South Africa's post-1994 macroeconomic policy framework sought to transform the entire country in an inclusive manner. Seven major policy thrusts are identifiable that largely characterised the policy approach: (1) A fiscal policy approach that promotes counter-cyclicality, sustainability and intergenerational equity, (2) an inflation-targeting monetary policy, (3) a market-determined exchange rate, (4) prudential regulation of the financial sector, (5) redress through the Black economic empowerment, (6) reforms to labour laws, and (7) integrating the economy internationally.

The overriding aim of the policy approach, according to the RDP, was to ensure a stable and resilient macroeconomic environment that can act as a buffer against disruptive exogenous shocks.

Building on the foundation of the RDP, South Africa has introduced successive policies to accelerate economic growth and development. These include the Growth, Employment and Redistribution (GEAR) strategy in 1996; the Accelerated and Shared Growth Initiative for South Africa (ASGISA) in 2006; the New Growth Path (NGP) in 2010, and the National Development Plan (NDP) in 2012.[65]

Recurring priorities of these major policies included stabilisation of the macroeconomic environment through sound fiscal, monetary and regulatory instruments; sustained economic growth; employment creation and inclusive labour market; increase fixed investment; Infrastructure supporting economic performance and development in general; black economic empowerment to achieve inclusion; increased SMME contribution to economy and employment; growth of manufacturing and other priority sectors; increased and diversified export basket; R&D and technological innovation supporting economy and improved living standards.

Currently, the NDP provides the most realistic approximation of the country's aspirations towards 2030: it aims to halve unemployment, to eradicate poverty, and reduce inequality.[66] The table below presents some of the selected indicators used in this review.

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[65]   Towards a 25 Year Review (DPME, 2019)
[66]   National Planning Commission, 2011 NDP 2020

Table 3: Snapshot on economic policy targets

Key focus areas	Selected targets
Macroeconomy	• Stable macroeconomic environment through sound fiscal, monetary policy and regulatory instruments • Average GDP growth of 5.4% growth • Average per capita GDP of R110 500
Employment	• Increase employment to 24.7 million • Halve unemployment by 2030 • Reduce official unemployment rate to 6%
Investment and infrastructure	• Gross Fixed Capital Formation (GFCF) to reach 30 % of GDP by 2030; (where 1/3 public, 2/3 private) • Increase Foreign Direct Investment (FDI) inflows to 10% of GDP • Infrastructure supporting economic performance, social inclusion and development: NIP 2050 infrastructure pipeline, wherein R100 billion is targeted for 10 years up to 2030.
Industrial policy and strategies	• Growth of manufacturing and other priority sectors • Economic diversification beyond resource-based towards beneficiation & knowledge-based economy • Increased SMME contribution to economy and employment • Labour-absorbing industrialisation • Decentralisation of economic development (SEZ, IDZ)
Economic transformation	• Ownership of large firms (JSE-listed entities) • Proportion of Black and female managers in public and private sectors • Competition and accessibility of markets (reduced levels of concentration in key economic sectors. • Composition of employment (industries, gender, race, youth and persons with disabilities
Exports including Africa integration	• Exports increase by 6% a year to 2030 • Increase foreign tourism arrivals and tourism GDP contribution • Intra-Africa trade at least 30%;
Selected sector focus areas	• Tourism – Increase tourism to 10% of GDP • Energy security – Resolved energy security to 80% Energy Availability Factor and end to loadshedding • Transport logistics - Increased competitiveness of transport modal networks (Road, rail, ports, air) - composition of rail: road payload volumes; cost per ton of road transport; cost per ton of rail transport; and international benchmarks) • Mineral resources – increased beneficiation of natural resources • Rural economy – Equitable access to and sustainable use of land for development by redistributing strategically allocated land • Science and innovation: R&D investment of at least 1,5% of GDP; innovations translate to wealth creation and improved living standards. • The digital economy

MILESTONES AND ACHIEVEMENTS

Stable and growing economy

Over the past two and a half decades, GDP volatility and interest rates have fallen. On average, both inflation and nominal interest rates remain significantly lower than in the 1980s and early 1990s. Macroeconomic policy served as the centre of gravity and coordinates economic strategy. One of the outcomes of early macro-policy interventions is that, by 2003, South Africa achieved a level of macroeconomic stability never seen in the country for 40 years. The budget deficit was about 1,0% in 2003, having declined from 9,5% of 1993; public debt ratio of GDP reduced to 50% from 64% of 1994.

Table 4: Growth, exchange rate and interest rate (1980-2021)

	GDP growth	GDP volatility*	FX rate (R/US$)	GDP volatility*	Main policy interest rate	Interest rate volatility*
1980-1989	2.24	1.23	1.68	0.12	13.22	0.44
1990-1999	1.40	0.85	3.92	0.21	15.40	0.23
2000-2009	3.60	0.85	7.69	0.26	10.03	0.21
2010-2019	1.75	0.41	11.17	0.52	6.07	0.07
2010-2021	1.34	1.14	11.91	0.27	5.24	0.11

Figure 19: South Africa's GDP growth (1994-2022)
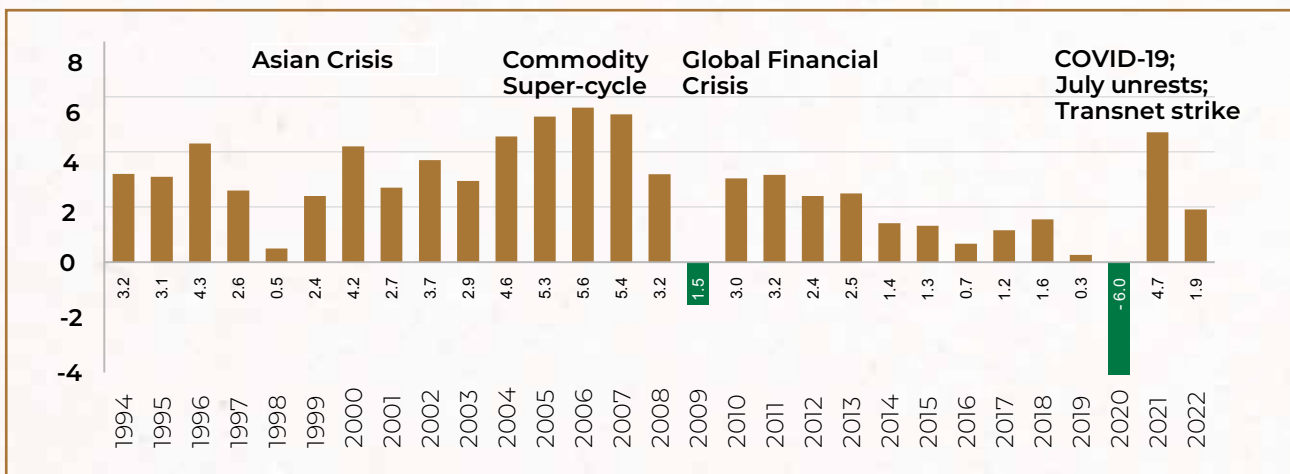
Source: Stats SA, the DTIC

Since the early 2000s, the South African economy has moved through several phases. Strong growth was followed by a sharp contraction due to the global financial crisis (GFC) beginning in 2008. While the economy seemed to recover comparatively well in the immediate aftermath of the GFC, it started to slow in 2011, embarking on a sustained downward trend. Per capita economic growth has lagged behind GDP, worsening notably after the GFC and recording zero or negative growth between 2014 and 2020.

South Africa's long-term GDP growth (1994 to 2022) averaged 2.4%, largely been driven by consumption. The economy is currently in a low-growth trap, with average GDP growth below population growth. As a result, real GDP per capita regressed. Between 1995 and 2003, GDP growth averaged nearly 3%, which was double the recorded growth rate between 1980 and 1994.

Between 2014 and 2019, after over a decade of growth, households, government and the corporate sector were highly leveraged - compared to historical trends – and this stunted consumer spending. Weak consumption spending led to poor performance of manufacturing and mining in delivering export earnings.

This was compounded by poorer growth performances of South Africa's major trading partners on the continent from 2015. Well-known structural constraints hamper the achievement of potential growth: minerals-dominated exports, high concentration and lack of competition in key sectors of the economy, inefficiencies in network industries, inadequate levels of technological innovation and skills, low manufacturing export competitiveness, energy and water shortages, delays in infrastructure development, and vulnerability to global shocks.

Like its peers in the developing world, South Africa has faced several global shocks since the onset of democracy, including the East Asian Crisis, the Commodity Super Cycle, the Global Financial Crisis, the Great Recession, and, most recently, the COVID-19 pandemic. These events impacted negatively on developing countries, which often suffer disproportionately, including from remedies applied by developed countries. This is starkly evident in the effects of quantitative easing (QE) on South Africa and the impacts of the threat of QE withdrawal.

In addition to global shocks, South Africa contended with domestic challenges, such as the rapid increase in electricity prices, energy shortages, freight and logistics inefficiencies, state capture, regulatory delays in licensing that affect new investments in forestry, mining, and manufacturing, and the rise of organised crime syndicates in various sectors. These factors have contributed to persistently low business confidence, reflected in South Africa's low investment rates, which are insufficient to drive higher growth rates.

Shortly after the onset of the global COVID-19 pandemic, South Africa, as with many countries, entered a strict lockdown that severely limited economic activity. Businesses were shut down temporarily, and there were widespread restrictions on travel and mobility, financial market turmoil, an erosion of confidence and heightened uncertainty. The magnitude of these impacts varied by country, but, in general, they resulted in sharp contractions in output, household spending, corporate investment and international trade. South Africa's economy contracted by 6.3% in 2020, and proved to be more severe compared to average global contraction. The government mobilised unprecedented resources including the Economic Reconstruction and Recovery Plan (ERRP) to arrest further decline, stabilise the economy and create conditions for recovery through, among others, provision of relief for households and businesses. GDP recovered to its 2019 level in about 2 years (i.e. Q1 of 2022) and employment in 3 years (Quarter 3 of 2023).

Both fiscal and monetary policies have been accommodative, particularly since the global financial crisis. The government has run stimulatory policies since 2010. Actual government spending has increased faster than GDP growth every year but has risen only twice since 2013/14. The long-term fiscal situation has worsened as fiscal policy remained supportive and growth failed to rise. Fiscal policy is likely to be contractionary in future, given very high debt levels, declining tax revenues and rising SOEs exposures requiring immediate cash injections.

Despite the priority placed on government spending supporting growth and aggregate demand in the current low-growth environment, growth outcomes have failed given the declining trend in long-term potential growth. Estimates of South Africa's potential growth have fallen to well below 2%, compared to around 4% before the global financial crisis. Investment by government and SOEs has failed to lift growth as much as expected due to high inefficiency in spending. In addition, South Africa's productivity and competitiveness continue to decline. As a result, GDP per capita is declining, and unemployment remains unacceptably high.

The country risk premium for SA has risen since the mid-2000s. This has been driven by the perception of political uncertainty, persistent low growth, a high current account deficit and increasing fiscal policy risks, particularly from SOEs. External factors include the international "hunt for yield" and lower inflation risk premiums. These risk perception of South Africa resulted in several credit rating downgrades, with all three major international credit rating agencies currently rating South Africa as sub-investment (i.e. so-called "junk") grade, further impacting global investor's willingness to lend to South Africa and therefore the cost of domestic debt.

South Africa's GDP recovery and projected growth is slower than that of key comparators While necessary, this, combined with a COVID-19-induced decline in revenues, resulted in a significant jump in the fiscal deficit.

Inflation targeting was introduced in 2000 as a framework to manage monetary policy more predictably and transparently than had been the case in the past. Following the Asian crisis (1998), there was general dissatisfaction with the SARB's eclectic approach to monetary policy because it caused severe swings in interest rates and required costly interventions in the foreign exchange market. In 2000, the target for CPIX inflation (defined as headline CPI excluding mortgage interest costs) in South Africa was set at a band of 3 to 6% to be achieved in 2002 on average. Sharp inflation increases in 2002 resulted in the 3% to 6% target retained. In January 2009, the target measure changed to headline CPI after Stats SA redefined the index to exclude mortgage interest costs. The SARB's price stability mandate supports broad macroeconomic stability by containing inflation around the inflation target, thus enabling a predictable macroeconomic environment with respect to future prices. Such an environment is intended to promote economic growth by lowering uncertainty helping households and firms make investment and consumption spending decisions. South Africa is a small, open economy with high overall volatility levels. The macroeconomic framework is, therefore, designed to structurally lower uncertainty and risk perceptions by reducing the risk of high inflation and increasing confidence in stable and prudent fiscal policy.

On average, South Africa's primary interest rate has fallen substantially since introducing the inflation-targeting mandate and the transparent fiscal framework, improving the cost of borrowing across the economy.

The current account deficit has been fully funded, and South Africa has not experienced the kind of sudden stops that other emerging markets have. This has been supported by three factors: The government's commitment to an open financial account, meaning that investors know they can withdraw investments at will, supports subsequent reinvestment; When the rand weakens, domestic investors are inclined to repatriate overseas investments and earnings due to the counter-cyclical nature of residents' investment behaviour; and the floating exchange rate has disincentivised the build-up of foreign currency denominated debt.

Favourable global circumstances and the country's macroeconomic framework contributed to this positive performance. The rapid return of international capital returns to South Africa after a global shock indicated that the macroeconomic policy approach has reduced perceptions of uncertainty and risk. Low levels of foreign currency borrowing in the public and private sectors are also a favourable factor.

Employment

South Africa's labour market has expanded and transformed over the three decades. The labour force grew from 11,3 million in 1994 to 28,3 million in 2023. Race, gender, age and skills composition of the labour force and employment have also altered considerably. Total employment grew from 8,9 million in 1994 to 16,7 million in 2023.[67] Sectors previously insulated from international competition, primarily services, saw significant employment growth since 1994. The financial and business services sector alone created over 1.4 million new jobs. Employment gains have, however, been insufficient to offset the commensurate increases in unemployment. Also, employment ratio improved slightly since 1994, but still short of the international norm of around 60%. At 31,9% in 2023, South Africa recorded one of the highest unemployment rates. Major concerns in this regard are that a large number of young people categorised as Not in Employment, Education, or Training (NEET) and the less-skilled and less-educated take longer to secure employment or any form of economic opportunities. At the height of Covid-19 pandemic in 2020, about 2 million jobs were lost and many South Africans lost their income. Total employment has since recovered to the pre-Covid level of 16,7 million in Q3 2023.

Table 5: Labour market dynamics (1994 vs 2014): Number of Individuals

Variable	1994	2004	2014	2022
Labour force (000)	11 386	16 596	20 122	24 600
Total employed (000)	8 896	11 844	15 055	16 700
Unemployed (000)	2 489	4 611	5 067	7 800
Unemployment rate (strict %)	20,0	24.1	25,1	31,9%

Source: Stats SA, 2014 and 2023

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[67] StatsSA QLFS Q3 2023; Previous Reviews

Figure 20: Total employment (Quarterly 2019-2023)

Source: Stats SA, 2014 and 2023

The South African workforce has undergone shifts across three skill levels since 1994: skilled, semi-skilled, and low-skilled. In 1994, Statistics South Africa recorded 1.8 million skilled South Africans, 4.2 million semi-skilled, and 2.9 million low-skilled, totalling 8.9 million workers. By 2014, the number of skilled workers had increased to 3.8 million, semi-skilled to 7 million, and low-skilled to 4.3 million, reaching a total workforce of 15.3 million. High youth unemployment stems from disengagement with the labour market, and a lack of education and training. Among youths aged 15-24, 34.2% were neither employed nor engaged in education or training, with females constituting the majority of this group.. Technical and Vocational Education and Training (TVETs), or Further Education Training, were established to promote education integration, enhance learner mobility and meet human resource needs.

In order for unemployment to reduce to below 30%, GDP growth must be above 5%. There is an ongoing discourse regarding the role of key economic institutions with respect to employment impact of policy decisions by key institutions such as the National Treasury and the South African Reserve Bank. Other discourse concerns the focus of industrial policy, which is expected to revive manufacturing and innovation given their high employment multipliers. There are also strong arguments for strengthening the services sector, given its employment retention capacity and new growth industries that have emerged, e.g., global business services, tourism, finances, and e-commerce.

Even though government debt has more than doubled in the last ten years, investment as a share of GDP has fallen, and unemployment has risen.

Employment creation programmes have had a required impact in line with their set objectives. The largest social compacting on employment, the Jobs Fund was introduced in 2011, with projects co-financed by public, private, and NGOs; further initiatives include the 2018 Job Summit, Youth Employment Service, Amavulandlela Funding Scheme, Public-Private Growth Initiative, Expanded Public Works Programme, Presidential Employment Stimulus, etc.

In 2011, the President announced the Jobs Fund, which aims to co-finance projects by public, private, and non-governmental organisations and catalyse innovation and investment for economic stakeholders. R9 billion was set aside by the National Treasury towards the realisation of the objectives of the Jobs Fund. In 2018, President Cyril Ramaphosa prioritised job creation, particularly for the youth. Plans include a Job Summit, Youth Employment Service, Amavulandlela Funding Scheme, Public-Private Growth Initiative, Expanded Public Works Programme, and master plan implementation. The Public-Private Growth Initiative aims to invest R840 billion in 43 projects by 2024.

Investment and infrastructure development

Policy targets require Gross Fixed Capital Formation (GFCF) to reach 30% of GDP by 2030, with contribution of both public and private investment at ratios of 1/3 and 2/3 respectively. Foreign direct investment (FDI) is required to be at least 10% of GDP. Infrastructure must propel economic growth, social inclusion and development in general. In 1994, South Africa's GFCF as a percentage of GDP stood at 12%, having fallen from almost 30% of GDP reported in the early 1980s. Average ratio of infrastructure investments to GDP also fell over the same period, to an extent that it averaged 2,9% for the period 1995 – 2007. This was far below the investment rate of 7-9% recommended by the World Bank to achieve broader economic growth and poverty reduction objectives.

The 1995 – 1997 wave was largely driven by measured to correct the historical imbalances, in which through the RDP, the government embarked on extending social infrastructure to broaden access to basic services through housing, electricity, water networks, schooling, healthcare, opening and improving access roads and others. Provision of social housing (the "RDP houses") became a major undertaking, and included the provision of grid access to electricity, access to piped water and sanitation services. Mass electrification, starting with Phase 1 of the National Electrification Programme (1994-1999) which extended electricity access to 2,5 million households and public facilities. The Clinic Building and Upgrading Programme and school infrastructure and construction and upgrading of rural access roads were also major undertakings that transformed the South African socio-economic landscape. Proportion of population within 2km of an all-weather road in South Africa increased from 21% in 2004 to 30% in 2021.

These fiscal choices improved material conditions of communities and millions of households. At that time South Africa could attracting foreign capital and quickly raise investment levels . With the rapidly growing economy, there was a growth in the utilisation of infrastructure by many more people than its designed capacity, requiring both the development of new infrastructure and maintenance of existing infrastructure base. The next wave occurred in the period leading to 2008, presenting a significant turnaround, where the GFCF: GDP ratio peaked at 19,8%. A significant portion of infrastructure investment in that period was associated with the 2010 FIFA World Cup preparations, comprising investment in transport (i.e. road, rail, and airports), stadiums and other bulk infrastructure. A trend following that, however, indicates a long-term decline in this indicator to 16% in 2019, a year before the Covid-19 pandemic. In 2023, this ratio was 15% as the sector navigates a recovery from the slump experienced in 2020 and 2021.

South Africa's Foreign Direct Investment (FDI) inflows have remained modest, accounting for more than 10% of domestic investment on just 5 occasions in the last 29 years. South African economy saw its highest net FDI in 2008, reaching R101.9 billion. The lowest point came in 2017, with a negative R71.4 billion. The period 2020 to 2022 reflects major fluctuations associated with the Covid-19 disruptions. Important is to note the signs of muted recovery on the overall FDI trend. South Africa is rated below potential in terms of FDI performance. Since 2017, global credit rating agencies have either issued warnings or downgraded South Africa, citing, among other reasons, an unfavourable political climate for investment, policy uncertainty, and low economic growth. Compared to 13 other African countries, SA ranked 13th in 1994 and 10th in 2013.

Figure 21: Gross Fixed Capital Formation as percentage of GDP (1994-2022)
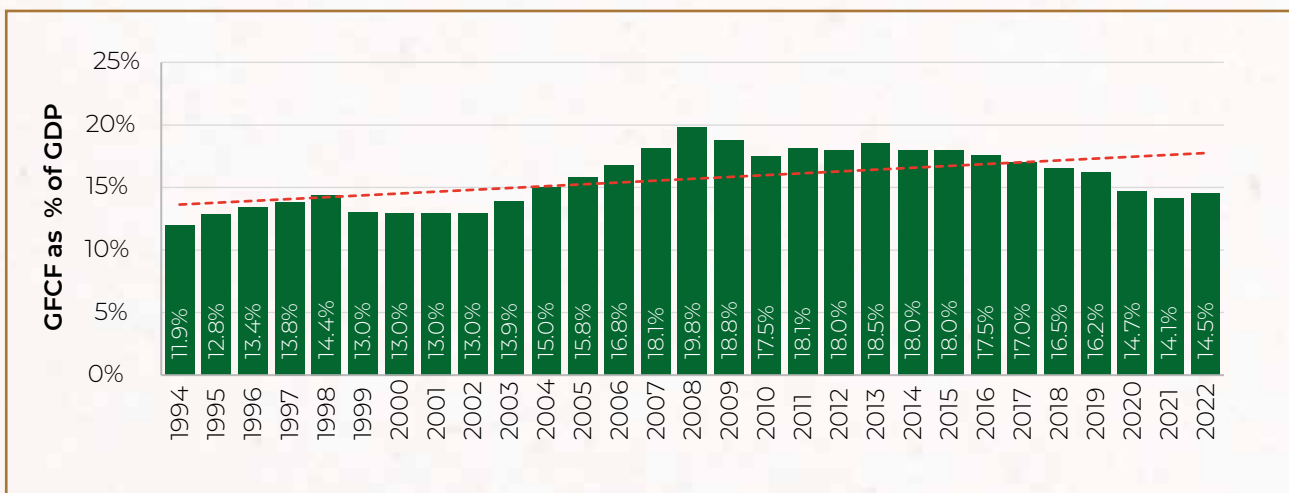
Figure 22: Foreign Direct Investment as a % of GDP since 1994-2022
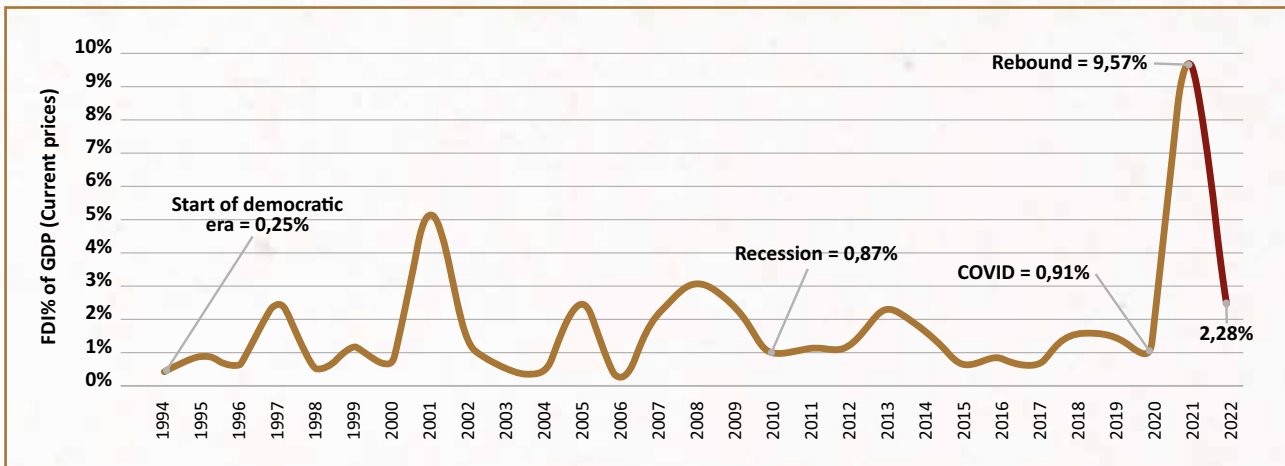
Notable reforms to support infrastructure development included a number of programmes building on the policy approach of RDP, GEAR and ASGISA and the NDP. These included the Urban Development Framework (1997), the Rural Development Framework (1997), the Green Paper on Development and Planning (1999), the Development Facilitation Act (1995), Municipal Integrated Development Plans (IDPs) and the Breaking New Ground (BNG) housing policy (2004) and the establishment of the Presidential Infrastructure Coordinating Commission (PICC) as well as the adoption of the Infrastructure Development Act 23 of 2014. These policies have shaped the approaches to land use, public infrastructure, housing markets and transport systems and the development of a network infrastructure industry. The Construction Industry Development Board Act (2000) established the Construction Industry Development Board (CIDB). The Council for the Built Environment Act (2000) established the Council for the Built Environment. The Professional Council legislation regulates the relevant built environment professions. For the NDP target of 30% GFCF: GDP to be met, an infrastructure investment gap of approximately R6 trillion needs to be closed. According to the South African Institution of Civil Engineering (SAICE) 2022 infrastructure is not coping with regular demand, is poorly maintained, and is at risk of failure.

Major undertakings are underway to address several constraints to investment and infrastructure growth. Some of the interventions are under the economic reforms overseen driven through the Vulindlela initiative that is driven jointly by The Presidency and the National Treasury.

- The National Infrastructure Plan 2050 (NIP) was introduced in 2022 to outlined the 18 Strategic Integrated Projects (SIPs) and 50 infrastructure projects to meet the NDP's objectives. The NIP acknowledges that infrastructure must foster social inclusion, industrialisation as well as environmental sustainability and resilience. It acknowledges a significant requirement for public-sector investment in infrastructure to grow from the 2021 level of 3.8% of GDP to 10%, and for public investment to leverage a greater share of investment from SOEs, the private sector and foreign investors.

- Three critical institutional platforms with complementary roles within the infrastructure delivery terrain have been established. Firstly, the Infrastructure Fund (IF) has been established within at the Development Bank of Southern Africa (DBSA) in 2019 with a government commitment of R100 billion over ten years to leverage blended financing solutions for infrastructure interfacing with the private sector, institutional investors, development finance institutions and multilateral development banks. Secondly, the establishment of Infrastructure South Africa (ISA) within the Department of Public Works and Infrastructure (DPWI), as a single point of entry to house the Infrastructure Project Pipeline in line with the National Infrastructure Plan 2050 (NIP). Thirdly, establishment of the Budget Facility for Infrastructure (BFI) in 2018 within the National Treasury as a specialized structure to assess and make recommendations on major public funding commitments toward national priority infrastructure as per the PICC and very large projects. ISA, IF and BFI have developed an integrated process for infrastructure project preparation, appraisal, financing and monitoring. The value chain facilitates project preparation and selection to ensure that viable projects are packaged in a manner that will attract financing and implementation capacity.

- A discernible Infrastructure Project Investment Pipeline has been developed between IF and ISA, positioned as key driver for the economic recovery, growth and development. By February 2024, about R4,63 billion worth of infrastructure projects were completed, and about R233 billion worth of projects were in construction and R169 billion still in procurement phases. Projects cover both the economic and social infrastructure in sectors such as energy, water infrastructure, transport and roads, digital, IDZ/SEZ, human settlement, etc. Various other projects are at earlier stages of project origination, preparation and assessments.

INVESTING IN INFRASTRUCTURE
Key infrastructure projects under construction or completed over the last five years.

National
- 7 Lesotho Water Highland Project
- 49 Rural Bridges Welisizwe Programme
- 50 Small Harbours Development

Northern Cape
- 9 San Kraal WEF
- 10 Phezukomoya WEF
- 11 Brandvalley Wind Farm
- 17-19 Scatec Kenhardt 1/2/3
- 31 Hull Street housing project

Western Cape
- 5 Upgrade/Expansion of Potsdam Wwtw
- 6 Cape Flats Aquifer Recharge
- 11 Brandvalley Wind Farm
- 12 Rietkloof Wind Farm
- 14-16 Grootfontein PV 1/PV 2/PV3
- 20 Battery Storage (Phase 1)
- 21 Sere PV Plan

Limpopo
- 2 Olifants River Water Resources Development Project - Phase 2 QMM
- 43 Musina Ring Road
- 48 Polokwane Eastern Bypass Phase 2 of the N1 improvements

Mpumalanga
- 32 Kwandokuhle social housing

Gauteng
- 4 Joburg Water: Northern Wwtw
- 24 Lufhereng urban development
- 25 Malibongwe Ridge housing development
- 27 Greencreek estate
- 28 Mooikloof Mega City
- 29 Fochville Ext 11 social housing
- 33 Sondela Phase 2 residential units
- 34 Joe's Place social housing
- 35 Jeppestown Unity House social housing
- 55 Salvokop Precinct Project

KwaZulu-Natal
- 3 uMkhomazi Water Project
- 20 BatteryStorage
- 22 Greater Cornubia mixed-use development
- 30 New Castle Hospital Street social housing
- 36 Cloete and approaches on N2 and N3
- 37 N3 Ashburton Interchange to Murray Road
- 38 N3 Cato Ridge to Dardanelies
- 39 N3 Dardenelies to Lynnfield Park
- 40 N3 Lynnfield Park to Ashburton
- 41 N3 Murray Road to New England
- 42 N3 from Key Ridge to Hammarsdale
- 45 National Route 2 between Mtunzini Toll Plaze and Empangeni T-Junction Upgrade
- 46 N3 Paradise Valley to Mariannhill Toll Plaza
- 47 N3 from Westville Viaduct to Paradise Valley Interchange
- 52 Pietermartizburg Ring Road, Msunduzi, Westville Viaduct to Paradise Valley Interchange

Eastern Cape
- 1 Mzimvubu Water Project
- 8 Coleskop Wind Farm
- 13 Wolf Wind Farm
- 20 Battery Storage
- 26 N2 Nodal mixed-use development
- 54 N2 Wild Coast Project

Free State
- 23 Vista Park II and III
- 44 National Route 1 Section 17 from Ventersburg to Kroonstad Upgrade
- 51 Windburg Interchange to Windburg Station Upgrade
- 53 N3 De Beers Pass

LEAVE NO ONE BEHIND

WATER AND SANITATION   ENERGY   HUMAN SETTLEMENTS   TRANSPORT   URBAN MANAGEMENT

- The South African Investment Conference (SAIC) has served an important purpose of mobilising investment for industrialisation. By March 2024, SAIC mobilised 317 investment pledges totalling R1,51 billion. Of these, 210 projects have materialised, with R273 billion worth of projects completed and R525 billion under construction – as fixed investment in both greenfield and brownfield project such as factories, production lines, mining operations, retail outlets and infrastructure.

- Government is collaborating with private sector, through the Joint Initiative on Crime and Corruption (JICC) and other platforms, to address different forms of crime hampering business confidence. Crime, including theft and vandalism which are estimated to cost more than R47 billion annually, the negative impact of corruption, inadequate maintenance and repairs. Theft of scrap metal, especially copper cable, imposes costs far beyond the actual value of the material taken.

- The Energy Action Plan was introduced in July 2022 to coordinate efforts to restore energy security. In line with the EAP, project preparation activities have commenced for expansion of the electricity transmission network by at least 14 000 km. More details on this appear later in this chapter under "Energy Security".

- The Freight Logistics Roadmap is being implemented to recover on the declined performance and efficiency of the transport logistics sector. South Africa's logistics system comprises 750 000 road network, 30 000 rail network, 3 000 coastlines with eight ports, as well as airlines. Performance of key networks have declined due a range of factors. Government is collaborating with the private sector on the National Logistics Crisis Committee (NLCC) to oversee implementation of some of the key programmes. Amongst the programmes are the PRASA's Rolling Stock Fleet Renewal Programme

(RSFRP), the Corridor Recovery Plan, road construction and maintenance programme, upgrading and expansion of port facilities, etc. The Gibela Train Manufacturing Plant in Gauteng is manufacturing trains. The 10 passenger rail priority corridors have resumed their services since closure during Covid-19 and the subsequent vandalism.

- Roads account for 88% of all freight transport. Approximately 80% of the national road network has reached its 20-year design life and most experienced maintenance backlog. The World Economic Forum's Global Competitiveness Report 2018-19 ranked the quality of SA's road network 47th out of the 141 countries surveyed.

The interface between roads and rail in freight transport has presented major challenges in more recent years.

- The last few years have seen Transnet Freight Rail's performance decline. Transnet's volume performance recorded its highest 2015 total volume of nearly 225 million tonnes per annum (Mtpa) 2015. The volumes have since dropped to the lowest of 149.5 Mtpa in 2022. The consequence of less spending on investment and maintenance is the current state of deterioration of rolling stock, track condition, maintenance practices and ageing signalling infrastructure. TFR's underperformance is linked to under-investment, monopolistic approach, weak regulatory space and deregulation of the freight road mode, leading to freight road uptake. The National Logistics Crisis Committee (NLCC) has been formally constituted to arrest this decline, with participation from relevant government departments, Transnet, and businesses. Four Corridor Recovery Teams have been established focusing on strategic commodity export supply chains in coal, iron ore, manganese, chrome and magnetite to jointly address performance constraints.

- Competitiveness of ports needs to improve in terms of cost and efficiency. According to the CCERD, 2012 South Africa initiated the Global Pricing Comparator Study to measure a country's port pricing competitiveness and the impact of regulatory pricing decisions. The tariff benchmarking study revealed high general cargo tariffs at Durban and Cape Town ports and automotive cargo tariffs above comparator ports. The study also found that the average cost per vessel call in Durban and Cape Town was higher than Singapore's, and the tariff for exporting primary commodities, mainly coal and iron ore, was below the global average. Since the regulator's establishment, a concerted effort has been made to bring down tariffs and make them comparable with international counterparts.

Small business development and co-operatives

The government adopted the White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa in 1995, outlining a comprehensive policy and strategy for small business development in the country. The enactment of the National Small Business Act of 1996, as amended in 2003 and 2004, provided for the implementation of the White Paper by providing guidelines to organs of state on the promotion of small businesses in South Africa. The Co-operatives Act was enacted in 2005 to set a framework for formalisation of cooperatives as a viable form of ownership and facilitate the provision of necessary government support foe emerging cooperatives.

The abovementioned legislation established relevant implementation structures. This included the National Small Business Advisory Body and the Ntsika Enterprise Promotion Agency - reorganised into three entities: the Small Enterprise Development Agency (Seda), the South African Micro Finance Apex Fund (SAMAF) and the Khula Enterprise Finance Limited. In 2012, the SAMAF and the Khula Enterprise Finance Limited merged into the Small Enterprise Finance Agency (SEFA). Seda provides non-financial support to SMMEs, including business development services, market access support, technology transfer, training and mentorship programs. In contrast, SEFA provides access to finance for SMMEs through loans, equity and other financial products, and post-investment support.

The Integrated Strategy for the Promotion of Entrepreneurship and Small Enterprises (ISPESE), developed in 2005 to facilitate provision of financial and non-financial support services on the entire continuum from the pre-revenue to the start-up phases of the small business development lifecycle. The Companies Act of 2008 governs the registration of new businesses in SA. The new Companies Act, which was promulgated in 2009 and has been effective since May 2011, aims to modernise the law, align it with international best practices, and make it more business-friendly – especially by streamlining it with other South African legislation, such as the Promotion of Access to Information Act. The new Act encourages entrepreneurship, enterprise efficiency, and economic and employment growth by making it clearer and less prescriptive. It is more flexible (companies can change certain requirements according to their own circumstances, for example) and

adaptable (smaller companies have fewer complex responsibilities than large public companies regarding corporate governance and financial reporting). Over the past few years, SA has made many reforms to make registering a business in the country easier.

The Department of Small Business Development (DSBD) was established in 2014 as a dedicated ministry. It was tasked with leading and coordinating an integrated approach for promoting and developing entrepreneurship, SMMEs, and co-operatives and ensuring an enabling legislative and policy environment to support their growth and sustainability. Following an evaluation of the ISPESE, the DSBD introduced the National Integrated Small Enterprise Development (NISED) Strategic Framework in 2022.

Number of measures have been introduced to reduce burdens on small businesses. The Broad-Based Black Economic Empowerment (B-BBEE) Act of 2003 supports black-owned businesses, most of which are small, by ensuring preference in government procurement and by incentivising large enterprises to support black-owned suppliers. In 2009, SARS introduced the turnover tax regime to simplify the filing process, perceiving it as reducing administrative costs for small businesses. The National Treasury has, through its Financial Inclusion Policy "An Inclusive Financial Sector for All", prioritised the financial inclusion of SMMEs, thereby supporting the responsible extension of credit to SMMEs by building on the recommendations outlined in the 2020 SMME Access to Finance Action Plan. The Employment Equity Amendment Act 4 of 2022, enacted in April 2023, revised the definition of 'designated employer' to exclude those who employ fewer than 50 employees, regardless of their annual turnover, to exempt them from a range of regulatory requirements.

In 2016, there were an estimated 2.6 million SMMEs in South Africa, of which 37% are considered formal, 54% are micro-enterprises, and 15% are located in rural areas. The contribution of SMMEs to South Africa's GDP is subject to different estimates, ranging from slightly above 20% to 42%.

Several support programmes have been put in place over the past 30 years. Consequently, the number of SMMEs in SA has increased significantly, with data showing an increase from 2.6 million in 2019 to 3.2 million in 2020. The contribution of SMMEs has increased over the past 30 years and is currently estimated at 40% of GDP. SMMEs in SA are predominantly micro enterprises (54%) and operate on an informal basis. Only 37% of SMMEs are formally registered with the Companies and Intellectual Property Commission (CIPC) and/or other government registration channels such as the local municipalities, and only 30% are registered for tax. However, those SMMEs that are formally registered are a significant driver of the economy, contributing over R2.9 trillion to GDP.

SMMEs are estimated to provide 87% employment opportunities in the country, with owners comprising 20% of this employment figure. Research conducted by Fin Find found that while SMMEs contribute between 2 to 3 million formal full-time jobs in SA, a significant portion of these can be attributed to the entrepreneurs identifying as being employed by the enterprise. This has enabled entrepreneurs to contribute to the acceleration of economic growth and the creation of job opportunities.

Contribution of the minibus taxi industry

With over 200,000 taxis on the road, the taxi industry forms the most crucial part of South Africa's public transport system. The industry represents one of the highest black-owned businesses and generates approximately R40 billion annually and employs about 300,000 people, including drivers, taxi marshals, and administrative support staff roles. According to the 2022 General Household Survey by Statistics South Africa, the most common mode of transport for travelling to work are private car (32.5%), taxis (25.0%) and walking (22.4%). Even in areas with rail networks, minibus taxis have increasingly absorbed many rail commuters, a trend that continues to grow. Comparison of mean monthly costs shows that minibus taxis, however, have become more expensive mode of transport compared to other options, namely bus and passenger trains.[68]

The Taxi Recapitalisation Programme (TRP) was introduced in 2006 as a measure to enhance road safety by scrapping unroadworthy taxi vehicles and using the scrapping allowance as a deposit towards a new, compliant taxi vehicle. A Revised Taxi Recapitalisation Programme commenced in 2019 to introduce additional elements to promote collaborative ownership and commercially viable projects, in order to achieve long-term sustainability and safety compliance. Between 2006 and 2018, approximately 53% of minibus taxi vehicles underwent scrapping under the TRP, while 15% have been scrapped from 2019 to the present.

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[68]   Stats SA National Household Travel Survey, 202

Future sustainability of the taxi industry will require a rethink of the current models in order to respond to emergent trends, such as the e-hailing services, the trend of working from home, and the introduction of Bus Rapid Transit systems like Rea Vaya and My Citi. The new approach should also seek to address the challenges such as escalating costs of purchasing taxis, increasing petrol prices, high-interest rates, and a decrease in commuter numbers.

Industrial policy and strategies

Three major phases are discernible in South Africa's industrial policy implementation journey post- 1994 (1) the period 1994 to 1997, characterised mostly by supply-side measures and the Washington Consensus type reforms (2) the period 2007 to 2018, with a flagship Growth Employment and Redistribution (GEAR) strategy, the National Industrial Policy Framework (NIPF) and the commencement of the Industrial Policy Action Plan (IPAP) series, and (3) The period 2019 to date which shifted towards the re-imagined Industrial Strategy, mostly driven by industrial masterplans.

Although industrial policy initiatives were being implemented, South Africa had no defined industrial policy until 2007 when Cabinet adopted the NIPF. Throughout the three decades of industrial policy, the manufacturing sector remained a priority given its highest growth multipliers, the potential for the industrialisation process, and the strong linkages with other sectors. Growth of the manufacturing sector is expected to propel the rest of the economy, boost employment, innovation and export competitiveness.

Table 6: Key industrial development policies since 1994

Year	Policy/Incentives	Brief description
1995	Supply-Side Document	Identified the need to improve the productivity of manufacturing
2001	Microeconomic Reform Strategy (MERS)	Noting the failure of existing macro-policies to attract investment, the MERS identified challenges such as infrastructure and access to finance that needed to be addressed to improve competitiveness.
2002	Integrated Manufacturing Strategy (IMS)	The IMS proposed several interventions to develop the manufacturing sector, including the expansion of market access, promotion of beneficiation and regional production.
2007	National Industial Policy Framework (NIPF)	The NIPF was the country's first comprehensive industrial policy since the 1995 Supply Side Document. The NIPF sets out the country's approach to industrialisation. The NIPF identifies the micro constraints to growth and employment.
2007, 2010-2016	Industrial Policy Action Plan (IPAP)	The IPAP is the implementation plan of the NIPF. Since the adoption of the NIPF there have been eight iterations of the IPAP, the most recent being IPAP 2016. Unlike other industrial policies, the IPAPs contained specific Key Action Programmes, timelines and role players.
2019 to date	Re-imagined industrial strategy (RIS).	The RIS emphasizes the role of the state in altering the growth trajectory of the South African economy by supporting improved industrial performance, dynamism and competitiveness of the domestic industry. A key pillar of the RIS is the development of industrial Masterplans intended to grow the economy and expand SA's productive sectors.

Source: Compiled by DPME using various sources

During the Uruguay round in 1993, South Africa joined the World Trade Organization (WTO), accelerating the trade liberalisation process that were already in place prior 1994. The Growth Employment and Redistribution (GEAR) strategy was introduced in 1996, focussed on liberalisation of critical markets in order to achieve a more efficient capital allocation, increased private investment levels, growth rates, and employment rates. Tariff phase-down accelerated in various industrial and agricultural sectors, with the exception of automotive, clothing, and textiles South Africa also signed two major regional free trade agreements in 1999 with the European Union and in 1994 with the Southern African Development Community. These major steps characterised the Washington Consensus type interventions in the economy.

Trade liberalisation brought about mixed set of outcomes. It increased South African manufactured exports on the one hand, particularly in the Automotive and Mining Sectors. Other sectors fared significantly worse, with employment losses far outweighing gains. This is blamed on poor sequencing of actions for trade liberalisation and economic diversification. Average industrial tariffs dropped dramatically (from 28% in 1990 to 8.2% in 2006), resulting in aggregate manufactured export growth significantly lower than peer medium-income countries' growth rates.

The period 2007 to 2018 mostly comprised implementation of the NIPF and its implementation plan, the Industrial Policy Action Plan (IPAP). The NIPF rejected a "one size fits all" policy approach of the Washington Consensus in favour of a more nuanced structural analysis of the economy and targeting of specific priority sectors. IPAP prioritised manufacturing sector alongside other sectors to drive industrialisation. Selection of priority sector was primarily base on their labour intensity and high potential for manufacturing value addition such as green industries, agro-processing and metal fabrication, capital and rail transport equipment, advanced materials and clothing, textiles and footwear production. Industrial policy interventions also sought to achieve economic diversification beyond resource-based and non-tradable services. This approach would promote beneficiation of mineral resources and build a knowledge-based economy, promote a labour-absorbing industrialization path, an inclusive economy through among others the Broad-based Black Economic Empowerment (B-BBEE) and SMME development as well as a focus on spatial and nodal economic development through the Industrial Development Zones, Special Economic Zones (SEZ/IDZ) and Industrial Parks.

Implementation of the IPAP was supported by sectoral incentives. Pre-existing incentives were reviewed and replaced with interventions that were better designed and contained stronger conditions to support evolving policy intents. These included the replacement of the Duty Credit Certificate Scheme (DCCS) with the sector-specific Textile and Clothing Production Incentive, the Motor Industry Development Programme (MIDP) with the Automotive Production and Development Programme (APDP), and the Small and Medium Enterprise Development Programme (SMEDP) with the Enterprise Investment Programme (EIP). Strategic Industrial Projects, a tax-based incentive scheme, was also introduced under Section 12G of the Income Tax Act to attract large industrial investment projects. The Industrial Development Corporation (IDC), a development finance institution, has adjusted its portfolio of industrial financing instruments in line with the industrial policy priorities. For instance, new focus areas such as green industries and regional industrial integration were introduced in this manner.

The Manufacturing Competitiveness Enhancement Programme (MCEP) was introduced in 2011 to support the manufacturing sector. The MCEP aimed to enhance firms' competitiveness and preserve employment, as manufacturing jobs were lost due to global financial crisis. Additionally, the Preferential Procurement Policy Framework Act (PPPFA) regulations were amended to enable the government to earmark sectors for local procurement and stimulate local manufacturing. Consequently, several sectors, including rail rolling stock, locomotives, wagons and carriages, power pylons, buses, clothing, textiles, leather and footwear, canned vegetables, set-top boxes, and furniture, were designated for local content commitments in public procurement, increasing the financial support available to firms through new tax-based and revised grant-based incentives. This move was seen as a deliberate counter-cyclical action in response to the downturn of 2008.

The period 2019 to date involved the implementation of the re-imagined Industrial Strategy (RIS). A key pillar of the RIS is the development of industrial masterplans, intended to grow the economy and expand South Africa's productive sectors. The goal is to significantly increase South Africa's manufacturing output, reduce the proportion of imported intermediary and finished goods, and expand the capacity of local suppliers. This includes assisting companies in improving their industrial capacities and sophistication, focusing more on export orientation, expanding value chains, and reclaiming domestic market space lost to imports. Priority is also given to the transformation of the economy, creating space for new black and women entrants and taking deliberate steps to change ownership and production patterns.

Notwithstanding the wide range of sectoral interventions, South Africa's manufacturing sector continued to be under significant strain. As a result, it has not had the desired macroeconomic impact to put the economy on a higher and a more inclusive growth path. Manufacturing sector's share of GDP dropped from 21% in 1994 to 13% in 2022. The share of employment in manufacturing also declined.

Figure 23: Shifts in the structure of the economy and manufacturing share of GDP (1994-2022)
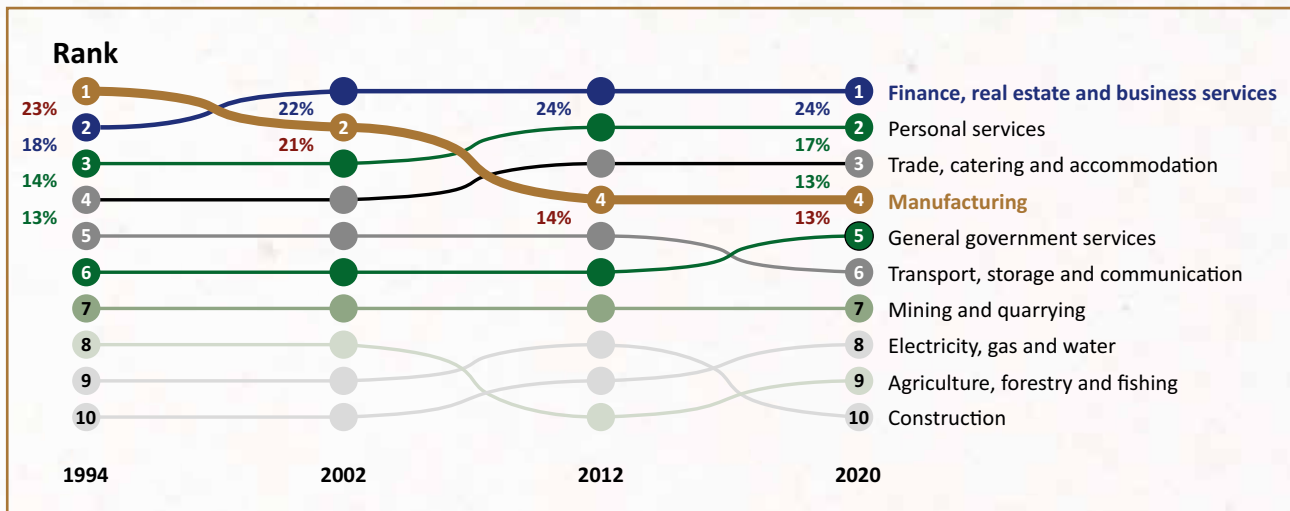
Source: Stats SA

The RIS emphasizes the state's role in altering the growth trajectory of the South African economy by supporting improved industrial performance, dynamism, and competitiveness of the domestic industry. It also promotes co-creation, collaborative and action-oriented cooperation between the government, organised labour and the private sector.

While some master plans are still under development, implementing some completed ones has begun to bear fruit. To promote industrial growth,

As of March 2024, seven masterplans were being implemented, namely retail-clothing, textile, footwear and leather sectors (R-CTFL); poultry; sugar; automotive; furniture; steel; and forestry. The model for masterplan is to promote on-going engagement within the industry between business, government and labour. The government sets the main impacts and outcomes for industrial policy and identifies a limited number of priority industries, and then facilitates formal processes to engage business and labour in developing joint initiatives to achieve agreed-on aims. The same stakeholders would then establish governance structures to drive implementation and monitor progress in a transparent manner.

Implementation to date has generated considerable investment and created employment opportunities across the targeted sectors. The auto industry masterplans provided a model for industrialisation that could be replicated and adapted in other sectors. However, this sector had a long history of over 70 years receiving generous government support. The auto industry is advanced and already transitioning from Internal Combustion Engine (ICE) vehicles to Electronic Vehicles (EVs), comprising the traditional hybrid, plug-in hybrid and the full electric vehicles. A White Paper on EVs in South Africa was published in December 2023 to outline the policy intent of government to accelerate EV consumption and production in South Africa in line with the global EV trajectory. Building blocks must be established to achieve the vision, among others, industry capabilities for EV components, domestic market demand, renewable energy-based charging infrastructure, phase-out of ICE vehicles production and toward EVs, and accessible consumer financing conditions.[69]

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[69] National Association of Automobile Manufacturers of South Africa (NAAMSA); South African New Energy Vehicle Research Report by Trade & Industrial Policy Strategies (TIPS)

Driving industrialisatin through localisation

The Policy Statement on Localisation for Jobs and Industrial Growth was launched in May 2021, with aims to increase local industry capacity and to increase local production for both domestic and export markets. 42 products (ranging from edible oils to furniture, fruit concentrates, personal protective equipment, steel products and green economy inputs) that can be sourced locally have been identified. The government and its social partners have agreed to work together to reduce South Africa's reliance on imports by 20% over the next five years.

Since announcement of the localisation policy, 809 products have been linked to domestic private sector markets. The Public Procurement Bill is being processed through Parliament so as to mandate the procurement of locally produced and manufactured products in certain sectors of the economy.

Effective implementation of the designated product regulations by all public entities, i.e. government departments, SOEs and municipalities, remains problematic. This was reinforced by the Con-Court ruling on Preferential Procurement, which gave organs more leeway in implementing their own procurement policies. Application of localisation requirements needs to be efficient in order to receive support. Concerns are that localisation raises costs, cause delays, poses investment risks and that it limits incentives for local firms to be innovative and reduce competitiveness – must all be given attention.

Implementation of Special Economic Zones and Industrial Parks

Industrial Development Zones and Special Economic Zones (SEZs) and Industrial Parks promote industrial development in designated nodal points across the country.

The existing 10 IDZ/SEZs across the country have been instrumental in crowding-in private sector investments and decentralisation of economic development. Each of these have own focus based on strengths of the region. Collectively, they have attracted 188 investment projects to the value of R26,1 billion and created 23 231 employment opportunities. Some of these investments are also accounted for in the SAIC and SIA Infrastructure Project Pipeline. Provinces are working with the DTIC on the proposals for designation of seven new SEZs.

There are 13 Industrial Parks that are currently under the Industrial Park Revitalisation Programme (IPRP), a structured programme to revitalize Industrial Parks in old industrial areas across the country, particularly around former homelands, smaller (secondary) towns, townships, distressed mining towns. The 13 Industrial Parks have a cumulative investment of R6 billion and employ 46,490 people. Sectors such as agro-processing and light and medium manufacturing are the dominant employers of semi-to-skilled individuals. The twelve Industrial Parks reported a cumulative investment of R6 billion.

Revision of the approach for SEZs and IP is underway based on the findings of the Department of Trade, Industry and Competition's (DTIC) and the DPME assessments. Concerns include poor upkeep and maintenance of infrastructure, poor management of facilities, and others.

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Table 7: SEZs Programme Performance Overview: 2022/23 FY (since inception)

SEZ Name	Applicable Master Plan Sector	No. of Operational Investors	Operational Investment Value	Jobs Created
Coega	Automotive/Agro-Processing/Chemicals/ Energy	59	R11,987 billion	8708
ELIDZ	Automotive/Green Industries	41	R5,264 billion	3998
MAPSEZ	Agro-Processing	4	R1,025 billion	164
SBIDZ	Oil & Gas/Green Industries	15	R268 million	169
DTPSEZ	Pharmaceuticals/Agro Processing/Electronics	50	R1,481 billion	4454
RBIDZ	Mineral Beneficiation/Agro Processing/Chemicals	3	R482 million	106
OR Tambo	Agro-Processing/Mineral Beneficiation	2	R395 million	2741
Atlantis	Green Industries	4	R776 million	383
TASEZ	Automotive	10	R4,539 billion	2580
Total		**188**	**R26,181 billion**	**23 281**

Source: DTIC Industrial Park Annual Report, 2021

Table 8: Summary of the Number of Jobs per Industrial Park

Province	Industrial Parks	People Employed 2021/22	Investment Value (ZAR) 2021/22
Eastern Cape	Vulindlela	933	R164 250 000
	Dimbaza	703	R100 000 000
	Komani	2 204	R2 000 000 000
Free State	Botshabelo	5 751	R668 729 131
Gauteng	Phuthaditjhaba	5 863	R118 000 000
	Ekandustria	2 364	R859 000 000
	Garankuwa	3 173	R513 650 079
	Babelegi	5 102	R513 650 079
Kwa-Zulu Natal	Isithebe	13 000	Unknown
Limpopo	Nkowankowa	1 430	R98 242 783
	Seshego	1 036	R140 242 783
North West	Mogwase	2 041	R810 000
Northern Cape	Upington	2 890	R1 000 000 000
Total		**46 490**	**R6 012 324 855**

Source: DTIC Industrial Park Annual Report, 2021

Competition policy

Implementation of the competition policy and sector regulations have made important inroads in transforming the economy through recommendations, decisions and rulings that reduce market dominance and anticompetitive behaviour.

Ground-breaking conditions included in merger approvals have aimed to protect South African jobs and promote higher levels of localisation, worker ownership, and investment. Key mergers featuring these conditions include those involving Wal-Mart, Coca-Cola, Anheuser-Busch InBev, Kansai, Edcon, Chevron, Shoprite, and Heineken. Significant market inquiries, such as those into health, online retail, and data, have also yielded successful outcomes. Notably, the Data Market Inquiry led to significant consumer data price reductions. Agile regulatory interventions have been implemented, such as monitoring prices to identify price gouging during COVID-19 lockdown and exemptions from the Competition Act to enable firms to collaborate in responding to the pandemic across sectors such as finance, health, and retail.

Despite this progress, the South African economy remains highly concentrated, posing significant challenges for black entrepreneurs to enter these markets, compete with established firms domestically, and often confront fierce competition from sometimes subsidised imported industrial products. The South African economy has high levels of concentration, which create barriers to economic expansion, inclusion and participation. The 2016 baselines are that the share of turnover of the top 10 percent of firms is 85,6 percent compared to 1,6 percent attributable to the bottom 50 percent of firms which are SMMEs. An analysis covering 144 sectors in 2016 established that 69,5% of those sectors are highly concentrated and only about 9,7% identified as unconcentrated markets. The highly concentrated sectors are farming inputs, agro-processing, healthcare, communications, upstream steel value chains, the alcohol gambling and cigarettes industries, transport, financial services, and petrochemicals.[70]

International trade

On international trade, policy targets are to increase exports by 6% a year and to diversify the composition of exports and destination countries/regions as well as improving regional trade integration within the African continent.

The value of exports has been more than the value of imports since the year 2016. South Africa is running a trade surplus which is confirmed by the terms of trade under balance of payment indicator. South Africa still relies heavily on mining exports, the value of mining products increased substantially in 2020 when the country's economy was suffering from the Covid-19 lockdowns. The United States of America (USA) has been a leading merchandise import of South African products, followed by China, United Kingdom and Germany. The value of imports by these four countries from South Africa has surpassed R6,5 billion in 2021. China is South Africa's main merchandise import country followed by Germany. South Africa imports mostly manufacturing products especially machinery and electrical equipment's, vehicles and transport equipment, and chemical products.

Following 1994, the swift and substantial tariff cuts, spurred by Uruguay Round commitments and consecutive rounds of bilateral and multilateral trade negotiations to deepen economic ties and create new opportunities for South African exports. This trade liberalisation brought about a mixed set of outcomes, increasing exports in some areas but also opening up the local industry to cheaper imports that dislocated the domestic sectors. Overall, South Africa has underperformed with regard to export competitiveness. Much effort is required to improve diversification of value-added export product lines and export destinations through upgrading of existing industrial capabilities and moving from low to high value-added activities and innovation into new areas.[71]

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70 Competition Commission, November 2021. Measuring concentration and participation in the South African economy: levels and trends
71 Fortunato, A. November 2022. Getting Back on the Curve: South Africa's Manufacturing Challenge. The Growth Lab at Harvard University; Harvard (2023) Growth through Inclusion in South Africa; NACI Science and Technology Indicators 2022.

Economic transformation

Since 1994, the government has introduced various policies and programmes to facilitate economic transformation and empowerment of previously disadvantaged individuals. The results of this must be material shifts in the ownership and control of large firms (JSE-listed entities), greater financial inclusion, growth of the small business sector and its contribution to the economy, shifts in the proportion of Black and female managers in public and private sectors, and reduced levels of concentration in key sectors of the economy.

The National Economic Development and Labour Council Act, Act 35 of 1994, established the National Economic Development and Labour Council (NEDLAC) to promote growth, equity and participation through social dialogue.

Organisations such as the Black Management Forum (BMF), the National African Federated Chamber of Commerce (NAFCOC), the Association for the Advancement of Black Accountants of Southern Africa (ABASA), which predates 1994, have been instrumental in confronting the pervasive practices of marginalization across the economy.

In 1995, a National Strategy for Small Business Development in South Africa was introduced, leading to the enactment of the National Small Business Act in 1996. The aim of this act was to create a supportive environment for SMMEs and to establish institutions offering financial and other support to entrepreneurs, including black-owned and controlled businesses.

The Green Paper on Public Sector Procurement Reform, released in April 1997. This policy intervention gave practical expression to Section 217 of the Constitution, by using procurement as a strategic tool to drive economic transformation. The rationale was that left unattended, access to economic opportunity would remain a permanent feature of the South African economic architecture. Preferential procurement policy instruments are therefore necessary preconditions for achieving the NDP priority of transforming the economy and achieving broader policy goals of stimulate domestic production, SMME and local economic development, and employment.

The Competition Act of 1998 established the Competition Commission and Competition Tribunal with aims to transform the economy, address anti-competitive behaviour, mergers and acquisitions, and allow for the emergence of SMMEs. The Act also had exemptions from anti-competitive practice prohibitions in order to achieve an increase in ownership stakes by historically disadvantaged individuals. The Competition Act was amended in 2018 to strengthen the penalties for anti-competitive behaviour, to formalise the legal status of market inquiry recommendations, and to broaden public interest elements.

The Employment Equity Act (EEA), also introduced in 1998, sought to ensure the equitable representation of workforce across all occupational categories and workforce levels, amongst others through implementation of Affirmative Action interventions to address disparities in labour market opportunities. The EEA gave practical expression to Section 9(2) of the Constitution.

The National Empowerment Fund Act of 1998 established the National Empowerment Fund (NEF) to provide financial and non-financial assistance in order to facilitate the economic participation of black South Africans.

The Broad-Based Black Economic Empowerment Act 53 of 2003 (the B-BBEE Act) was enacted to redress the historical economic disparities. Publication of the B-BBEE Codes of Good Practice in 2007 provided, among others, interpretive principles and thresholds for measurement scorecards to be applied by various economic agents as well as guidance for the development of sector transformation charters.

Several targeted funding programmes have also been introduced to support economic transformation over and above the NEF. The Black Industrialists Policy was introduced in 2015 to facilitate funding by through the DTIC grants and the NEF and IDC loans. Collectively over a 13-year period, these institutions have approved about R100 billion in funding to support economic empowerment.[72]

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[72] DTIC (2024). Black Industrialists Catalysing Economic Growth and Jobs https://www.nefcorp.co.za/wp-content/uploads/2024/03/Black-Industrialists-Catalysing-1.pdf; Annual Report SEFA 2021-2022; NEF Annual Report 2022; Annual Report -DTIC 2021-2022.

Overall, the country has achieved significant progress over the last two decades as a collective impact of policies for economic transformation and empowerment. However, overall outcomes remain inadequate. Key indicators such as ownership of productive land, income inequality, corporate ownership and control of large firms and performance on sector transformation targets indicate that much remains to be done to transform the economy and wealth distribution. Furthermore, despite levers within the preferential procurement policy interventions, targets remain unachieved and the procurement system remains fragmented. Persistent tension points between policy makers and the business sector have often delayed policy implementation. Lack of implementation of sector transformation charters have created an accountability vacuum.

The B-BBEE Commission's 2021 National Status and Trends of Broad-Based Economic Empowerment shows some of the key metrics regressing from 2020 to 2021, following an encouraging trend from 2017. The B-BBEE Commission report reveals a 1.5% decrease in transformation levels. Overall black ownership peaked at 31% in 2020 and overall management control peaked at 57% in 2020. Percentage of 100% black owned entities on the JSE only peaked at 3% in 2019. Encouraging signs are that more than 500 B-BBEE ownership agreements totalling over R600 billion were reported to the commission since 2017. Fronting remains a big challenge, causing stagnation in some of the reported B-BBEE schemes.[73]

Sector-level analysis shows that of the JSE listed entities that reported, the Transport sector and Tourism sector have the highest average black ownership percentage at 78% and 52% respectively, followed by Construction sector at 49%. However, Agri-BEE and Financial sectors have recorded the lowest black ownership on average, both at 17%.

Options for policy thrust proposed during the DPME's 2022 stakeholder engagements on the state of economic transformation include (1) establishment of state bank to assist SMMEs and black industrialists; (2) measures to de-concentrate the economy and facilitate market access by black businesses; (3) the DTIC monitoring of transformative impact of corporate social investment and enterprise development spending; (4) introduction of set-asides for black businesses in government mega projects.

Already in May 2022, a BBBEE Advisory Council, comprising of government, civil society, big business and labour, was established to provide guidance, monitor and advise on the implementation of the state of B-BBEE performance.

The Public Procurement Bill has been developed to provide a single framework for public procurement and to minimise fragmentation in public procurement regulations. The Procurement Bill was tabled in Parliament in June 2023 and the Standing Committee on Finance (SCOF) conducted public hearings on the Public Procurement Bill during September 2023.

Figure 24: B-BBEE ownership and control trend 2017-2021

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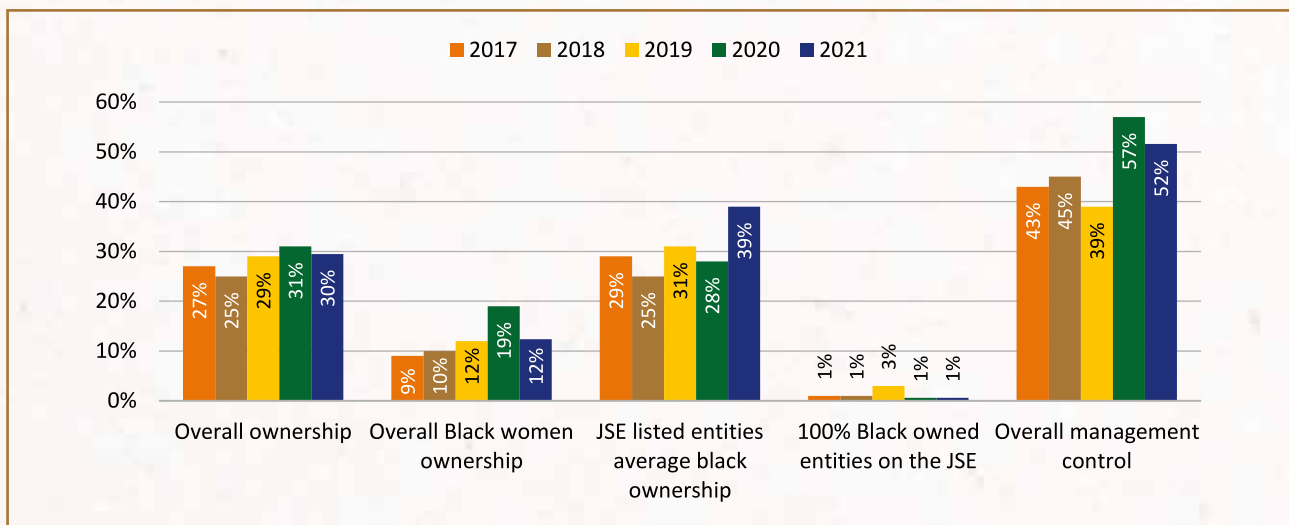
[73]   B-BBEE Commission. 2022. National Status and Trends on B-BBEE Transformation Report 2021

SYNTHESIS REPORT

Figure 25: Sector code analysis: Average Black Ownership

Average Black ownership Data

	Agri-BEE	Construction	Financial	Forestry	ICT	Transport	MAC	Property	Tourism	Generic
2017	4,90%	32,00%	31,80%	15,40%	31,30%	36,90%	26,70%	34,10%	14,60%	0,00%
2018	11,20%	48,00%	21,60%	33,70%	32,00%	40,50%	19,60%	30,50%	23,80%	0,00%
2019	24,30%	50,10%	26,00%	32,60%	30,80%	48,60%	27,00%	37,20%	23,80%	21,70%
2020	23,60%	56,40%	25,20%	54,70%	24,30%	36,90%	40,20%	9,90%	18,50%	33,40%
2021	12,27%	47,27%	19,80%	40,95%	29,67%	46,90%	37,45%	17,77%	36,33%	27,20%

Employment equity

A 2022 report by the Commission for Employment Equity (CEE) shows that pace of transformation has been slow, showing only slight improvements in the equal representation of designated groups, specifically Africans, Coloureds, women, and persons with disabilities. Compliance levels remain disappointingly. White individuals continue to hold a majority of top and senior management positions, while males dominate these levels and persons with disabilities significantly underrepresented. Actual progress is that African representation in top management increased from 6,0% in 2001 to 17,0% in 2021, and on senior management from 9,0% to 15,6% over the same period. Coloured representation in top management increased from 3,0% in 2001 to 5,9% in 2021, and on senior management from 5,0% to 8,0% over the same period. Indian representation in top management increased from 4,0% in 2001 to 10,9% in 2021, and on senior management from 5,0% to 12,0% over the same period. Women representation in top management increased from 13,0% in 2001 to 25,8% in 2021, and on senior management from 20% to 36,4% over the same period. Representation of persons with disabilities in top management moved from 1,0% in 2001 to 1,6% in 2021, and on senior management from 1,0% to 1,3% over the same period. The various gaps have gradually narrowed, albeit at slow pace.

The absence of regulated minimum targets for the representation of women, youth, and persons with disabilities in the Employment Equity Act (1998) remains a challenge for South Africa's transformation agenda. Consequently, the Employment Equity Amendment Act, No. 4 of 2022, was signed into law by the President in April 2023 to introduce sector and sub-sector targets for economic and geographical regions, marking a significant step towards compelling designated employers in specific sectors to achieve specified transformation goals. This will alter the current practice of designated employers self-regulating Employment Equity Targets.

Figure 26: Race and gender profile of private and government sector workforce (2001 – 2022)
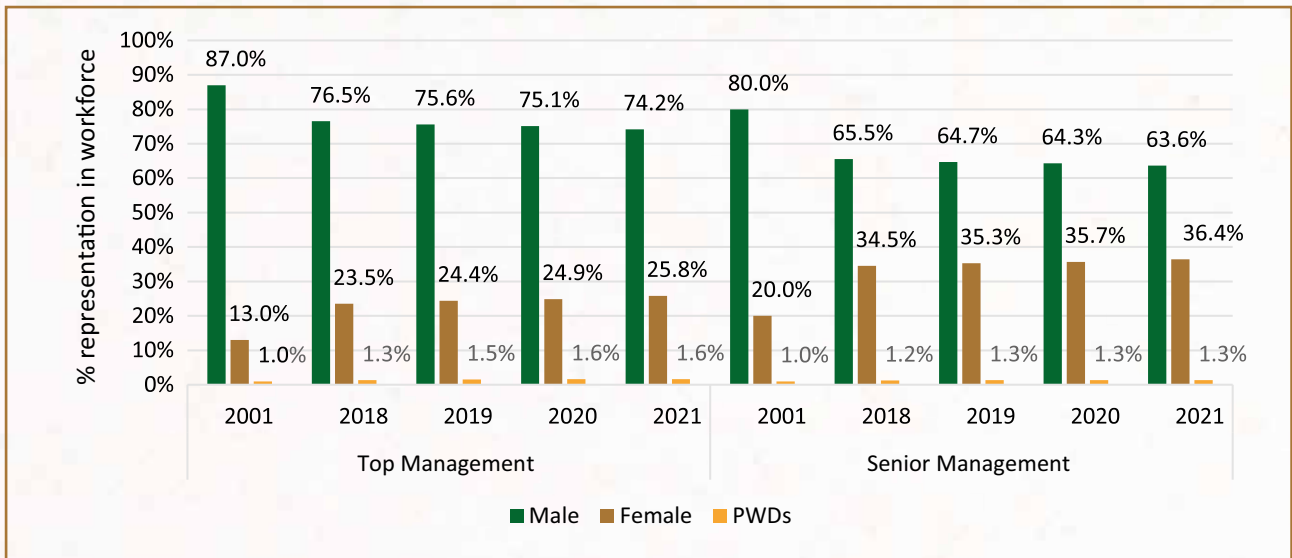
Role Played by NEDLAC in advancing South Africa's transformational goals

Since its inception, NEDLAC has played a significant role in advancing South Africa's transformational goals. Over the years, NEDLAC has succeeded in establishing social dialogue and partnership as an accepted and valuable part of South Africa's policy-making and national decision-making system. All-important socio-economic legislation, including the Employment Equity Act (1998) and subsequent amendments in 2022, has passed through the NEDLAC structures. The extensive engagement and negotiation at NEDLAC have transformed the labour market and aligned legislation with the rights enshrined in the Constitution, reversing the lack of dignity and exploitation workers experienced during the apartheid era.

Among the notable summits hosted by NEDLAC is the Financial Sector Summit (2002). The Financial Summit sought to improve access to finance for previously marginalised groups. It proposed a Financial Sector Charter to promote employment equity, skills development, access to empowerment financing and black economic empowerment.

Transformation of the financial sector and financial inclusion

The Financial Sector Code, gazetted in 2012 and revised in 2017, embodies the agreement among key stakeholders in the financial sector to commit to B-BBEE. However, the Financial Sector Transformation Council's 2020/21 State of Transformational Annual Report (SoTAR) indicates that the priority elements, such as ownership, management control, and skills development, crucial for economic growth and financial inclusion, have not yet been fully realised.

To hasten transformation, the National Treasury released a draft financial inclusion policy document in October 2020 titled "An inclusive financial sector for all." This document highlights financial inclusion priorities for SMMEs, including enhancing access to credit, expanding the variety of financing instruments available to SMMEs, and providing appropriate insurance for these enterprises. Furthermore, in April 2023, the Financial Sector Conduct Authority (FSCA) published its final strategy for fostering transformation within the financial sector. This strategy outlines how the FSCA will promote transformation under the existing legislative framework, such as the B-BBEE Act and the Financial Sector Code, and how it plans to implement future proposals relevant to transformation following the enactment of the Conduct of Financial Institutions (COFI) Bill. The COFI Bill, which is currently under consideration in Parliament.

Financial inclusion imply that individuals and businesses access valuable and affordable financial products and services that meet their needs (e.g. transactions, payments, savings, credit and insurance), delivered responsibly and sustainably. Internationally, financial inclusion has been identified as an enabler for 7 of the 17 sustainable development goals. Financial Inclusion is also one of the goals of the National Payment System Framework and Strategy (Vision 2025), published by the South African Reserve Bank in 2018.

South Africa's financial inclusion is high. Approximately 84% of the South Africa's population had bank accounts in 2022, compared to about 54% in 2010 (Statista). However, active usage remains low, with 40% of dormant accounts held by low-income households and 19% withdrawing funds immediately. Key drivers for this success include accessibility of mobile and digital banking. Cash transactions are prevalent and the banking activity is dominated by cash withdrawals, often made at supermarket till points. The Postbank has offered an important platform for financial inclusion in South Africa with over two million South Africans using its services.

Furthermore, online banking is expected to grow significantly in the coming years, with the world moving towards technological solutions. The number of digital banks in Sub-Saharan Africa increased from only two in 2012 21 in 2021– seven of those were registered in South Africa. Only 21% of the country's population reported using online banking between 2021 and 2022. The COVID-19 pandemic underscored the necessity for enhanced digital financial inclusion, providing affordable, sustainable, and responsibly delivered financial services to underserved populations. Increasing access to consumer credit is a meaningful step in financial inclusion and improving low-income South Africans' well-being. Demand for credit in South Africa has been increasing, largely due to rising inflation and interest rates. COVID-19 also led to a surge in credit active consumers, reaching a peak of 27.4 million in 2020, with an additional 2.2 million becoming active from 17.12 million in 2017. This surge is attributed to increased access to formal credit and improved data sharing between lenders and credit bureaus.

The informal credit market remains endemic in South Africa, with unregistered lenders ("mashonisa") that are socially embedded in lower-income communities. These lenders charge exorbitant interest rates to desperate consumers and mostly do not abide by the country's laws. Consequently, over 50% of South Africa's credit-active consumers are regarded as over-indebted. Since 2009, the value of consumer credit has increased steadily as more individuals acquire credit.

Criminal behaviours pose a risk to financial inclusivity. Cash-in-transit heists are a major concern. Also, during the July 2021 riots, the banking industry incurred massive damage to infrastructure such as ATMs, leading to cash shortages. Cybercrime is a growing threat to South African banking, with money laundering increasing due to the pandemic's shift to remote working and increased network security vulnerabilities.

The National Treasury has published a draft Financial Inclusion Policy Paper to establish the policy framework for financial inclusion in South Africa, and the paper outlines the government's policy to shape regulatory approaches, the evolving Financial Sector Code (FSC), and sector market practices in general.

Information, communication and technology and digital economy

The State of ICT Sector Report estimates the combined size of telecommunications, broadcasting and postal services in South Africa at R243.6 billion in 2021, having expanded from recorded R189.7 billion in 2015 (ICASA, 2023). Revenues in the telecommunications and broadcasting industries have been growing while in the postal services declining.

Figure 27: Estimates size of the telecoms, broadcasting and postal services sector

Telecommunications 82%
Broadcasting 15%
Postal services 3%
Total R243,6 billion in 2021
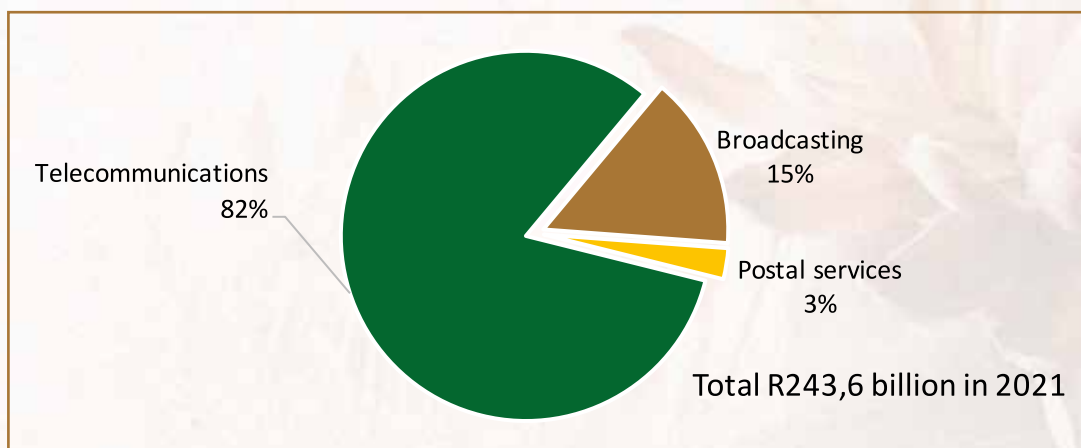
Major changes have taken place in this sector over the three decades. Several industry sources produce various estimates and rankings on the performance of the sector.[75] Improved rankings in the Global Innovation Index (GII) that South Africa's overall ICT infrastructure has improved from a ranking of 86 in 2014 to 70 in 2023 in terms of ranks countries' ICT infrastructure, access and use.

There are rapid technological changes in the space of ICT. National population coverage for 3G and 4G/LTE in 2021 was 99,9 percent and 97,7 percent, respectively. This means that nearly all inhabitants in South Africa are within a range of a mobile-cellular signal irrespective of whether they are subscribers or not. 5G population coverage stood at 7,5 percent in 2021 from 0,7 percent in 2020 which reflects a substantial increase in one year. This coverage was still limited to certain urban areas in Eastern Cape, Free State, Gauteng, Northern Cape and Western Cape. Table 27.1 indicates different subscriptions, importantly the changes in broadband subscriptions. There is significant technology driven shifts shown by a decline in Fixed line subscriptions and increasing subscription for Fixed broadband subscriptions. Wireless broadband subscriptions have been increasing from 115 951 subscriptions recorded in 2017 to 244 876 subscriptions recorded in 2020, surprisingly showing a lower number of subscriptions in 2021.

The Digital Council Africa Market Analysis report for 2022 revealed that South Africa had 41.19 million internet users, equating to an internet penetration rate of 68.2% of the total population and marking an increase of 1.2% from January 2021. As of July 2023, OOKLA Speedtest Intelligence® ranks South Africa's fixed broadband speed 102nd out of 182 countries, with a fixed download speed of 42.57 Mbps and an upload speed of 338.45 Mbps. The country stands 52nd out of 143 countries for mobile download speeds, achieving 45.06 Mbps for downloads and 7.95 Mbps for uploads. Mobile network operators are transitioning from infrastructure owners to digital service aggregators. This shift includes diversifying into other asset classes such as towers, fibre networks, and data centres. Estimates also show 3.9 million fixed wired and wireless broadband connections existed in 2022, connecting nearly 22% of households in South Africa. The report also estimated 2 million 4/5G-based fixed wireless access connections, with total fixed broadband connections, excluding 4/5G-based fixed wireless, at around 1.9 million, serving 10.4% of households. Digital Subscriber Line (DSL) connections were on a downward trajectory, with expectations of their elimination before 2025.

On the back of the growing online streaming platforms, South African music industry has transcended traditional barriers in reaching global markets. IFPI Global Music Report 2024 show South Africa contributing about 77% of Sub-Saharan Africa's 24,7% revenue growth - the highest across seven global regions. The genre called Amapiano, in particular, has taken its space globally.

The International Trade Administration also notes that the sector's largest spender is the private sector, mainly through banking and financial institutions, which also own most of the telecommunication infrastructure. Internet banking, especially mobile access and mobile money solutions, has seen considerable improvement over the years. According to the 2023 South African Institution of Civil Engineering Infrastructure Scorecard, South Africa's ICT boasts critical features such as a fibre infrastructure with a fibre footprint exceeding 300,000 km in 2022 and over 40 fibre network operators; a healthy hosting and databases market; a competitive market with rapidly developing newer technologies like 5G, including the 2022 spectrum auctioning. Therefore, the existing ICT sector in the country is quite developed and potentially ready for the Fourth Industrial Revolution. The Global Digital Regulatory Outlook 2023 ranks South Africa second in Africa, after Rwanda, at 77%, with a 75% readiness for digital transformation.

E-commerce is growing rapidly in South Africa. According to "Online Retail in South Africa 2022", the total growth for online retail in the country in 2022 came to 35%, bringing online retail to R55 billion. In 2021, an online total of R42.3 billion made up 4% of the R1.166 trillion total retail trading. Spending on e-commerce now represents about 1.1% of South Africa's GDP. E-commence activity surged during the Covid-19 lockdowns as many people opted for home delivery over shopping malls and stores. E-commerce Forum South Africa (EFSA), describes e-commerce as selling or purchasing goods or services through computer networks, using e-platforms, e-shops, and social commerce. The activities are regulated under the ECTA, Consumer Protection Act (CPA) and Protection of Personal Information Act (POPIA). E-commerce offers many advantages for buyers and sellers such as saving time, cost of travel and greater choices across the online platforms. E-commerce comes in various forms, including business-to-consumer (B2C) online shopping, business-to-business (B2B) trade, e-government services as well as consumer-to-consumer (C2C) trade.

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75   ICASA; ITWeb; Digital Council Africa; OOKLA Speedtest Intelligence; IMD Global Innovation Index
76   Surfshark's Data Vulnerability Thermometer; Kaspersky

Since 2016, Africa has seen the emergence of 11 unicorns (companies with valuations of more than $ 1 billion). Of these, eight (8) emerged from the top four countries, five from Nigeria, two from Egypt and one from South Africa. EdTech Go1 is South Africa's first and only unicorn.

Government policies and programmes have played a critical role towards these milestones. The Independent Broadcasting Authority (IBA) Act of 1993 paved the way for the transformation of South Africa's broadcasting landscape. The Media Diversity and Development Agency (MDDA) Act was introduced to promote media diversity. The Electronic Communications Act (ECA) 2005 was also introduced to promote convergence in the broadcasting, broadcasting signal distribution and telecommunications sectors, and to provide the legal framework for convergence of these sectors. The Postal Services Act of 9172 was also repealed to changing requirements. The South African Post Office (SAPO) has declined considerably owing to several challenges and is currently undergoing business rescue. Generally, postal services are also facing a global decline due to electronic communication, online shopping and consumer shifts to private sector services for enhanced delivery.

The broadcasting sector changed considerably over the three decades. There has been proliferation of new radio and television services, diversification of new programming and restructuring of the South African Broadcasting Corporation (SABC). By May 2022, there were 284 community radio stations, including online ones. Pre-1994, South Africa had few private and commercial radio stations, no independent regulators and no free-to-air (FTA) broadcasters. The SABC functioned as a state broadcaster, whereas now it operates as a public broadcaster. There is a thriving commercial radio sector offering a variety of music, news, information and entertainment and a growth in podcast services, offering important alternatives that are accessible on a global scale. A commercial free-to-air television station and three subscription television broadcasters have also emerged.

The Electronic Communications Act No 36 of 2005 introduced the South Africa's Broadband Connect Policy (SA Connect) in 2013, aimed at improving broadband penetration, reduce broadband prices, increase employment and drive economic growth. Under phase 1 of the programme, 970 government facilities were provided and monitored with broadband services out of the planned 6 135. Digital migration is the transition from analogue broadcasting to digital, aiming to clear the radio spectrum for wireless mobile broadband services and innovative applications. Newer technologies in this area include internet-enabled smart boxes, and smart TVs.

The White Paper on Telecommunications Policy 1996 provided for the spectrum roll-out programme. The initial phase of spectrum auctioning was concluded in March 2022, generating total revenue of R14.4 billion – and expected to improve mobile operators' ability to build robust telecommunications and benefit South Africans by increasing access to broadband and reducing communication costs. The second phase of the International Mobile Telecommunications (IMT) Spectrum licensing process to begin early 2024. The draft Next Generation Radio Frequency Spectrum Policy (Spectrum Policy) has been proposed by the DCDT to, among others, support 5G technology deployment and other technologies beyond radiocommunication services

The Rapid Deployment Policy has been introduced in 2023 to provide a process that licensees must follow when deploying electronic communications networks and facilities on private property and to ensure a faster and uniform system of processing wayleaves for the deployment of electronic communications infrastructure.
At part of implementing the recommendations of the Presidential Commission on the 4th Industrial Revolution (PC4IR), the Artificial Intelligence (AI) Institute has been established through a partnership of government and the Johannesburg Business School and Tshwane University of Technology.

There are several areas that require greater attention. Weakness in institutional arrangements, fragmented planning among state actors, limited competition, limited capacity and limited digital education output hamper progress in harmonising the sector. Cyber-attacks and hacks have become a significant challenge, highlight a greater need for cybersecurity capability.[76] Infrastructure theft and vandalism and loadshedding cause major disruptions affecting network infrastructure, downtime, disconnection and slowing internet speed. South Africa is lagging key international comparators with regard to download and upload speed and data costs.

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[77]   Un General Assembly, 2015

Postbank has transitioned from a deposit-taking institution to a fully-fledged bank, with over two million South Africans using its services. Its partnership with SASSA since 2018 improved the distribution of social grant and improved security, serving over 8 million South Africans with SASSA cards, receiving one monthly free cash withdrawal and unlimited card swipes. This has proved valuable in the distribution of COVID-19 relief grant to an average of two million citizens per month.

Energy security

The energy sector has always been at the centre of economic and social development. The NDP envisage that by 2030, South Africa should have adequate investment in energy infrastructure, a diversified energy mix, including renewable energy sources. South Africa has integrated all the three important consideration in its policy intents for the energy sector, namely (1) energy security – the ability to provide reliable and resilient energy supply, (2) energy affordability and access - ensuring universal access and affordability by users, (3) energy sustainability – sustainable environmental performance as required under Goal 7 of the Sustainable Development Goals.[77]

The history of electricity generation in SA is linked to the development of the mining industry, as the first power stations built in the 1890s supplied electricity to the gold mining industry and mining towns. Eskom was established in 1923 and started building power stations to meet the increasing demand for industrial and urban development electricity. A decline in economic growth between 1983 and 1993 led to a decrease in electricity demand. As a result, Eskom decommissioned some of the power stations up to 1995. At this time, less than 13 million South Africans (40% of the population) had access to electricity. In 1994, the Limpopo, Eastern Cape, and North West provinces had low electricity access levels ranging from 20% to 40%. By 2021, household electricity access improved by 70-98%.

Planning of the Eskom New Build Programme commenced in 2005, with Medupi and Kusile with target commission dates of 2015 and 2017, respectively. Other major decisions included the establishment of the Nuclear Pebble Bed Modular Reactor (PBMR) that was abandoned in 2010, and the planned extension of the Koeberg Nuclear power station that is currently in process.

Figure 28: Eskom coal-fired power stations, target commissioning dates and MW Capacity

Eskom Power Plant	Date of Commissioning	Capacity (MW)
Komati	1961	990
Camden	1967	1,561
Grootvlei	1969	1,180
Hendrina	1970	1,893
Arnot	1971	2,352
Kriel	1976	3,000
Tutuka	1985	3,654
Majuba	1996	4,110
Kendal	1988	4,116
Matla	1979	3,600
Duvha	1980	3,600
Lethabo	1985	3,708
Matimba	1987	3,990
Medupi	2015	4,764
Kusile	2017	2,400

Major policy developments in the South African energy landscape after 1994 include the White Paper on Energy Policy in 1998, which sought to introduce reforms to the electricity supply system, including the restructuring of Eskom; the Nuclear Energy Act and National Nuclear Regulator Act of 1999; the Gas Act, 2001; the White Paper on Renewable Energy of 2003 which targeted 4% renewable energy contribution to the total energy consumption and the relevant technologies required to diversify the energy system, such as solar, hydro, biomass, and wind; the National Energy Regulator Act in 2004 and establishing the National Energy Regulator of South Africa of 2005; the Electricity Regulation Act, 2006; the Nuclear Energy Policy, 2008; the National Energy Act, 2008; the Integrated Resource Plan for electricity in 2010 and its proposed revisions in 2019; and the Electricity Regulations on New Generation Capacity, 2020. Some legislations are currently under review, namely the National Nuclear Regulator Amendment Bill, 2023, currently in Parliament, and it provides for the strengthening of the National Nuclear Regulator; the Electricity Regulation Amendment Bill, 2023, which includes the introduction of electricity market reforms and has also been tabled in Parliament; the Gas Amendment Bill which is in the process of being revised.

The Eskom business model of a vertically-integrated utility was considered to be outdated and inappropriate in 2003. Globally, at the time, there were waves of unbundling within the energy supply industry. The democratic government introduced a programme for mass electrification, starting with Phase 1 of the National Electrification Programme (1994-1999). This programme extended electricity access to 2,5 million households and public facilities, fundamentally altering the country's landscape. By 2021, households with access to grid electricity had increase to 15,9 million, about 89% of total households. The target for NDP is to cover 90% with grid electricity and the remaining 10% with off-grid technologies. Uptake of off-grid technologies has been on the rise in the recent years, given the pressure of loadshedding and declining costs of such technologies. The government introduced the Renewable Energy Independent Power Producer Programme (REIPPP) in 2011 and an Independent Power Producer (IPP) Office was established to implement it, as part of the IRP. A Gas Master Plan (2022) and the South African Renewable Energy Masterplan (2023) were also introduced to guide industry investment planning and coordinated implementation in the gas and renewable energy sectors.

South Africa is currently facing a challenge of energy insecurity. The Energy Availability Factor (EAF), which measures the proportion of operating capacity versus the total capacity at any moment, has fallen from 80% to 55% over the last ten years. Load-shedding has been implemented in South Africa and serves as an approach to manage the electricity supply shortfall through controlled power outages implemented by Eskom in order to prevent the collapse of the grid. Loadshedding costs the economy R300 billion in 2022, which accounts for a 5% GDP loss, and load shedding had a negative effect of 2.1% on quarterly GDP in Q3 2022. The energy crisis has negatively impacted the mining industry, impacting output volumes and competitiveness of the SA mining industry. The worsening energy crisis comes when the economy is still recovering from the effects of the COVID-19 pandemic.

Other important development are with respect to refineries capacity and piped gas. The closure of four out of five refineries has significantly reduced South Africa's oil refining capability. Consequently, South Africa's dependency with about 70% of the country's needs now dependent on petroleum imports. This dependency exposes the country to global supply chain shocks. All crude oil is imported via Durban and Saldanha Bay, with only the Sasol, Total (Natref), and Astron refineries remaining operational.

Text box 2:

Development of green hydrogen industry in South Africa

Green hydrogen is a potentially new growth industry and an important part of the just-energy transition in South Africa. About 19 potential projects have been identified and nine of them are already in the ISA project preparation pipeline across South Africa:

· 4 in the Northern Cape, namely Upilanga Solar and Green H2 Park, Prieska Power Reserve, Ubuntu Green Energy Hydrogen Project, Boegoebaai Green Hydrogen Development.

· 1 in the Western Cape which is Atlanthia Green Hydrogen.

· 1 in the Free State which is Sasolburg Green Hydrogen 60MW.

· 1 in Mpumalanga which is SASOL HySHiFT (Secunda).

· 1 in the Eastern Cape which is HIVE Ammonia.

· 1 along the Limpopo, Gauteng to KwaZulu-Natal Corridor called the Hydrogen Valley Programme.

Figure 29: Yearly EAF annual average
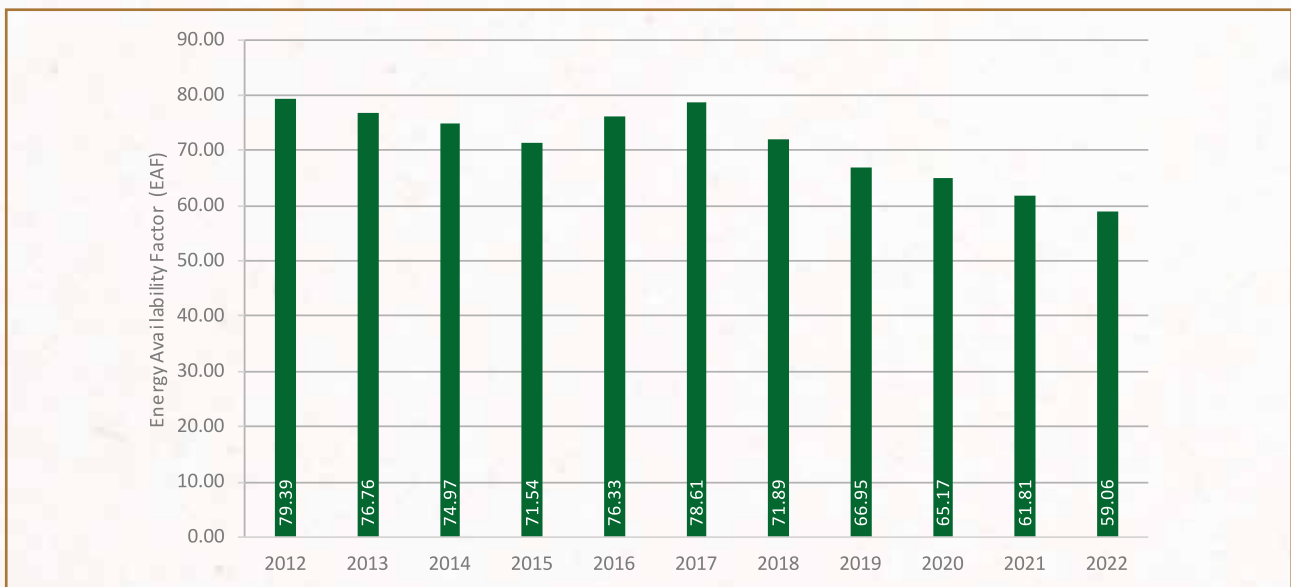
Source: CSIR, 2023

Several factors constrain the natural gas supply in South Africa, including the country's reliance on gas supply from Mozambique due to the absence of its own natural gas sources. The current supply fails to meet market demand, as most of the gas is allocated to existing customers through long-term contracts and Sasol Gas' internal operations. PetroSA's indigenous offshore gas reserves are estimated to be depleted by 2029, while Sasol's Pande and Temane gas supply to South Africa was expected to decline by September 2023. There has been a sharp increase in the use of gas for cooking between 2011 and 2022, with just over one-quarter (25.7%) of the country using gas for this purpose, compared to 3.5% in 2011. This significant change may be attributed to the challenges of load shedding and households diversifying their energy sources.

A major mitigation step underway is the implementation of the Energy Action Plan that was announced by the President in July 2022 and the establishment of the National Energy Crisis Committee (NECOM) to oversee its implementation. The EAP comprise five interventions areas: to fix eskom and improve availability of existing supply; to enable and accelerate private investment in generation capacity; to accelerate procurement of new capacity from renewables, gas and battery storage; to unleash business & households to invest in rooftop solar; and to fundamentally transform the electricity sector to achieve long-term energy security. Acceleration of various interventions of the Energy Action Plan is crucial in addressing the current challenges of energy security.

Immediate results of the Energy Action Plan are that: Eskom's Generation Recovery actions have reduced the unplanned maintenance from about 18 000 to less than 16 000 by August 202 and specific generation units are being returned to service; regulatory changes have been introduced to enable private investment in electricity generation; more than 100 private investment generation projects representing about 10 000 MW were in the pipeline; A tax incentive has been introduced to encourage households and businesses to install rooftop solar panel(s) and just more than 4 000MW capacity has been installed; the electricity regulatory amendment (ERA) Bill is in the National Assembly and is envisaged to establish a competitive energy market in the country; The Roadmap for Eskom in a Reformed Electricity Supply Industry" has been published to outline the unbundling of Eskom into three separate subsidiaries (i.e., Transmission, Distribution and Generation under Eskom Holdings; The Resource Mobilisation Fund (RMF) was established in March 2023 by Business for South Africa (B4SA) to enable private sector support the NECOM – and has raised R100 million to fund the technical support and capacity to NECOM; A growing number of Independent Power Producers (IPPs) have entered the electricity market recently, predominately generating renewable energy. As of the end of March 2023, 6105 MW of electricity was delivered to the grid from operational IPPs. The programme has attracted R228 billion in investment into the country. In addition, green hydrogen for an important part of the just energy transition (JET) and renewable energy programmes. Implementation of the Hydrogen Society (HySA) Roadmap commenced in 2022 supported by a commercialisation strategy and the Green Hydrogen National Program (GHNP), in which 9 projects are already in the project preparation pipeline having been registered with Infrastructure South Africa (ISA).

Mineral resources

The SA mining sector is the 5th largest in the world. The largest sectors are platinum group metals (PGMs), holding more than 50% of the world's platinum reserves, and the second largest reserve is palladium, followed by coal and gold. For almost a decade after 1994, the sector remained capital-intensive until around 2008, when it was impacted negatively by the 2008 global financial crisis. After that, neither the industry's contribution to GDP nor its investment returned to pre-crisis levels until 2011. South Africa is ranked amongst the top ten producers of rough diamonds. Over the past decade, the national diamond production output averaged 7 – 10 million carats per annum. The diamond mining sector is dominated by the private sector. Over the past 30 years, the DMRE has finalised over 1000 prospecting rights applications and about 300 mining rights applications were adjudicated. Rehabilitation of derelict and ownerless mines continues to be undertaken, with 320 shafts sealed off, including 29 asbestos mines that have been rehabilitated.

At the advent of democracy, mineral regulation was through the Minerals Act (1991), which was only repealed with the promulgation of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA). The mining industry's transformation goals were initiated by implementing the Broad-Based Black Economic Empowerment Charter for the South African Mining Industry, 2002 (Mining Charter). Despite the legislative developments, transformation objectives in this sector still lag behind.

South Africa is among the leading countries globally in mining R&D. SA was a global leader in mining research and development (R&D) through the Chamber of Mines Research Organisation (COMRO) investment, amounting to approximately R400 million annually. From the 1990s, funding for R&D was reduced significantly, and by 2014, the government only allocated R5 million. This came after COMRO was transferred to the Council for Scientific and Industrial Research (CSIR) with limited government funding. Prior to the Mining Phakisa, the CSIR, with the support of the Department of Science and Innovation, developed the South African Mining Extraction Research, Development & Innovation (SAMERDI) Strategy, which was adopted after Phakisa as the mining R&D strategy that would achieve the outcomes of the Mining Phakisa.

Mineral and Petroleum Resources Royalty Act, 2008 and Mineral and Petroleum Resources Royalty (Administration) Act, 2008 Mineral royalties, as a form of mining taxation, were initially introduced to extract economic payments from mining. In the past, mineral and petroleum resources were privately owned, meaning that payment for extracting these resources was payable to the State only under certain circumstances. Over time, the royalty has been identified as an important policy instrument, and as required in the MPRDA, a royalty is levied on the extraction of mineral resources. The Mineral and Petroleum Resources Royalty Act (MPRRA, 2008) and its Administration (2008) govern mineral royalties in SA. The two Acts came into effect in 2010, and are managed by the South African Revenue Service (SARS).

Exploration Strategy for the Mining Industry of South Africa, 2022: According to the Minerals Council of South Africa, the total exploration budget has decreased from US$404 million in 2007 to less than US$100 million in 2018, with a 1% share of global exploration budgets. The DMRE has developed an Exploration Strategy to attract a 5% share of global exploration expenditure and boost the mining sector's contribution

to GDP in the next 5 years. The focus on exploration is essential against the backdrop of a decline in reserves and production, especially of gold resources. To keep the country's global position, future mineral growth needs to be determined, and exploration offers the ability to cover this gap through accelerating mineral discoveries and encouraging optimal utilisation of mineral resources.

Artisanal and Small-Scale Mining Policy, 2022: The RDP committed the government to encourage small-scale mining, and thus the recognition of Artisanal and Small-Scale (ASM) mining post-1994. The Minerals Policy (1998) identified the need for the state to employ resources to control artisanal mining as effectively as possible. The inclusion of ASM in the MPRDA led to the establishing of support structures directed at developing the sub-sector as an important platform for broader participation. However, it has been argued that the MPRDA did not permit adequate development of ASM, with the sub-sector remaining informal/illegal with limited prospects for growth and contribution to socio-economic development. Due to the migratory nature of mine labour, mining companies must consider communities around the mine operations and their labour-sending areas as legislated in the MPRDA and through the implementation of the Social and Labour Plan. These mining towns and communities are characterised mainly by underdevelopment, poverty, and poor living conditions. It is widely argued that mining companies profit from neglecting mining communities' development needs. It is argued that the mining industry still lags behind in terms of socio-economic transformation.

The mining sectors faces serious challenge of illegal mining. Illegal mining occurs in abandoned, unauthorised, and operational mines that have not been properly closed. Effective mine closure measures were only introduced with the implementing of the Mineral and Petroleum Resources Development Act (MPRDA), leaving the government with numerous ownerless and derelict mines that were not adequately sealed. There is a significant link between illegal mining and organised crime, with the miners, known as Zama-zamas, often being heavily armed. Over the past twenty years, Zama-zamas have expanded across South Africa's gold mining regions, creating a national crisis. The Institute of Security Studies estimates that R14 billion of gold per year is produced by 30,000 illegal miners, with the United Arab Emirates and Switzerland identified as the primary export destinations. For example, 1,939 serious crime incidents were recorded at Sibanye in the fourth quarter of 2022, costing the company R41 million.

Major strides were done in improving working conditions and safety in mines. The Minerals Council South Africa's 2013 report stated that in the 150-year history of mining, approximately 80,000 mineworkers had died, with more than a million injuries. From 1994 to 2012, there were 5,385 mine fatalities. Major incidents since 1994 include the Vaal Reefs gold mine accident (1995) that claimed the lives of 104 workers in the Lonmin Marikana mine labour unrest (2012), resulting in the death of 44 people. Implementing the Mine Health and Safety Act (1996) has played a key role in improving mine working conditions and aims for zero harm in the industry. However, the sector still records fatalities though in isolated incidents.

Tourism sector development

As South Africa increasingly opened up, international tourism grew in importance as a key contributor to the economy and employment. The 1996 White Paper on the Development and Promotion of Tourism in South Africa was introduced to facilitate the development of the tourism sector. It targeted tripling of tourism sector contribution to GDP from the 1994 baseline of 2%, doubling of the foreign exchange earnings by 2000 and creating 2 million jobs. The 2030 targets, according to the NDP, is to increase tourism to 10% of GDP.

By 2019 tourism sector contribution to GDP had increased to 3.7%. International tourism arrivals into the country increased from less than a million visits in the late 1980s to 2 million in 1991 and about 4.5 million in 1995, and then accelerating to 9.5 million in 2014. Prior to the COVID-19 pandemic, international tourist arrivals stood at 10.5 million in 2018 and 10.2 million in 2019. Tourism direct and indirect contribution to total employment had averaged about 9.2% between 2013 and 2019. The tourism sector severely contracted due to the COVID-19 lockdowns, which saw international travel restrictions between March and October 2020. In 2020, international tourist arrivals into the country declined by 77.9% compared to 2019. South Africa only lifted all the restrictions in June 2022 following a gradual process of easing them.

A standalone National Department of Tourism was established in 2010. The South African Tourism (SAT) was also established as an official national tourism marketing agency. The National Tourism Sector Strategy (NTSS) was introduced firstly in 2011 and updated in 2016 to as a blueprint for tourism sector development in line with the NDP 2030 targets. Implementation of the NTSSF included the adoption of the Domestic Tourism Growth Strategy 2012-2020 which focussed on stimulating domestic tourism. Successive economic development strategies and the industrial policy approach also placed high priorities on tourism sector

development, citing the following recurrent objectives: stimulating tourism SMME, increasing international tourist arrivals, earning foreign exchange, creating employment particularly for the low-skilled workforce, and enhancing the domestic tourism destination product offerings.

Following the Covid-19 disruptions, theDespite the COVID-19 pandemic's impact in 2020, the sector was on track to become one of the top 20 destinations worldwide by 2020, with a 10.2% growth in international tourist visitors in 2012, surpassing the United Nations World Tourism Organisation's (UNWTO) global growth estimate.

Domestic tourism, crucial for addressing seasonality and retaining jobs in the industry, offers a more stable income than foreign tourism, as seen during the COVID-19 pandemic. The Domestic Tourism Growth Strategy aimed to bolster the domestic market for a sustainable economy, increase domestic tourism's GDP contribution, promote a travel culture, and address seasonality and geographical spread. It sought to unlock previously neglected areas such as school-based tourism and community initiatives like stokvels, religious tourism, and sports tourism. In 2009, approximately 14.6 million adult South Africans undertook about 30 million domestic trips, spending more than R22 billion annually, highlighting the significant and potential increase in the contribution of domestic tourism.

Figure 30: International tourist arrivals in South Africa (1991-2023)

Source: Stats SA Tourism and Migration Data 2023; DPME Development Indicators 2022

Science and innovation

The White Paper on Science and Technology (1996) conceptualised the development of the National System of Innovation (NSI) – as a set of functioning institutions and government policy instruments that interact to advance science and technology and innovation (STI) and its contribution to economic development and improved living standards. The NSI would be inclusive of government departments, universities, science engineering and technology institutions (SETIs), private sector, NGOs, international bodies and individual citizens. The approach of the White Paper was to transform the orientation of the NSI towards the vision of the democratic government. It envisioned South Africa as a competitive nation on a global scale. Subsequent major policy developments in this sector include the establishment of the Academy of Science of South Africa (ASSAf) in 1996 to promote excellence and mobilise scientific expertise for the benefit of society; the establishment of the National Advisory Council on Innovation (NACI) in 1997 to develop a NSI measurement frameworks and provide policy advise; establishment of the National Research Foundation in 1998; adoption of the National Research and Development Strategy (NRDS) in 2002; introduction of the R&D Tax Incentive in 2003 to encourage private sector R&D investment in South Africa; establishment of a separate Department of Science and Technology in 2004; adoption of the Ten-Year Innovation Plan in 2008 (TYIP: 2008-2018) and its Advanced Manufacturing Technology Strategy (AMTS) and the Advanced Metals Initiative (AMI) to support industrial policy; establishment of the Technology Innovation Agency (TIA) in 2008; adoption of the Intellectual Property Rights from the Publicly Financed Research and Development Act (the IPR Act) in 2008 and the subsequent establishment of the National Intellectual Property Management Office (NIPMO) in 2010, and the establishment of the National Space Agency (SANSA) in 2010.

Over time, South Africa recorded major scientific and technological achievements and inventions. There are many examples in various areas comprehensively covered in sector reports such as the 2012 Ministerial Review of the NSI, the NACI Science and Technology Indicators annual report series, the R&D and innovation survey series, the CSIR reports on 75th anniversary, and others. Systems for the measurement of NSI performance are well established and benchmarked internationally in OECD and UNESCO databases and used as template for developing the African Science and Technology Indicators Initiative (ASTII) used by the African Union. Amongst the examples are the advances in astronomy and space sciences through the MeerKAT radio telescope, the Southern African Large Telescope (SALT) which is the largest telescope in the southern hemisphere (9.2-metre optical telescope) launched in 2005 to support astronomy-related research and the launch of Sumbandila satellite in 2009 and ZACUBE-1 in 2013; the innovation projects in green hydrogen as part of the four 'big frontiers' of a just energy transition (JET) and renewable energy programmes; Innovation in titanium alloy powder production and manufactured components to beneficiate local minerals with applications in the aviation industry; laser technology research leading to the development of the world's first digital laser with potential applications in healthcare, communication and new emerging industries; 3D-printed bones for reconstructive middle ear implants; advances in TB and HIV research and the contribution of South Africa to Covid-19 research which assisted a global response to the pandemic; breakthroughs in cancer research and treatment methods including IThemba LABS Radioisotope therapy; The National Integrated Cyberinfrastructure System (NICIS) which provides high-performance computing capability through the Centre for High-Performance Computing (CHPC) and high-speed, high-bandwidth connectivity and curation service for large and critical databases through the South African National Research Network (SANReN) and related facilities. These facilities provided effective support to South Africa's evidence-based approach to Covid-19 response.

Some of the science councils predates 1994 and have strong historical links with development of industries and the state-owned enterprises (SOEs). For instance, the Council for Scientific and Industrial Research (CSIR) was established in 1945 and contributed immensely through cross-cutting research in many fields; the Human Sciences Research Council (HSRC) was established in 1968 to conduct social sciences and humanities research that shaped many policies; the Medical Research Council (MRC) in 1969, the Minerals Research Council (Mintek) in 1934, and the Centre for Science Development (CSD) and the Foundation for Research Development (FRD) which were merged to form the National Research Foundation (NRF).

The 2012 Ministerial Review of the NSI found that the NSI was significantly underfunded, a trend that hampered scaling up of NSI outputs. Notwithstanding, South Africa had a much advanced and well resources NSI than many developing countries.[78]

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[78]   UNESCO Global R&D Report series https://unesdoc.unesco.org/ark:/48223/pf0000370741; AUDA-NEPAD African Innovation Outlook series https://www.nepad.org/programme/african-science-technology-and-innovation-indicators-astii

Gross Expenditure on Research and Development (GERD) stood below the NRDS target of 1% and the country's human resources in science and technology and technological innovation outputs lagged the average of the advanced countries in the Organisation for Economic Cooperation and Development (OECD). A major concern towards 2024 is the declining trend of gross expenditure on research and development (GERD), which is tracking away from the target GERD: GDP ratio of on 1,5% and diverging from the average in the BRICS and the OECD.

The 2019 White Paper on Science, Technology, and Innovation repealed the 1996 White Paper and sets the agenda for the future. An STI Decadal Plan, covering the period 2022 – 2032, outlines an implementation roadmap for the 2019 STI White Paper. The Decadal Plan priorities are informed by STI Foresight, which covered a range of domains that define megatrends. Key priorities are (1) sector modernisation and revitalisation (covering agriculture, manufacturing, mining, health, energy), (2) new growth opportunities (covering circular economy, digital economy), (3) societal grand challenges (covering climate change and environmental sustainability, future of education and work, and future of society). All these will require accumulation of critical levels of human capital and effective partnerships between government, the private-sector, civil society and the international community. The 2023 Strategic Management Model for South Africa's National System of Innovation will guide the implementation of the STI agenda, with the DSI providing leadership on sector policy and responsible for cross-cutting domains and coordinating the intergovernmental system in which other departments champion sector R&D and innovation and technology applications including oversight of SETIs.

LESSONS TOWARDS 2030

Research reaffirms that South Africa requires a Gross Domestic Product (GDP) growth rate of at least 5.4% to achieve most of its development priorities. The long-term GDP growth (1994 to 2022) averaged 2.4%. The economy is currently in a low-growth trap, with average growth below population growth. As a result, real GDP per capita regressed from R80 191 in 2013 to R74 907 in 2021. Growth rates at different points over the last three decades have been inadequate to offset the high unemployment rate. The labour force has expanded with more people looking for jobs. Despite this, South Africa remains one of the largest economies in Africa and is the most industrialised and technologically advanced in the continent. The country remains an upper-middle-income economy with considerable influence in global economic affairs.

Going forward, South Africa must aspire to become a high-income economy. Achieving this necessitates a rethinking of the macroeconomic growth policy and strategy, along with a more concerted focus on strengthening the capacity of the state to implement economic growth policy. For the immediate period, there is a strong case to continue with the focus on economic recovery and structural reforms to unlock potential growth. This includes a focus on resolving the immediate constraints to potential growth: minerals-dominated exports, economic concentration, inefficiencies in network industries, inadequate levels of technological innovation and skills, low manufacturing export competitiveness, energy and water shortages, delays in infrastructure development, and vulnerability to global shocks.

South Africa's persistently high-income inequality ratio suggests a need for more effective economic empowerment and inclusion strategies. Economic transformation in corporate ownership and control still shows disproportionate access to economic opportunities and wealth between white and other racial groups. Land ownership patterns remain a big concern.

Infrastructure development needs acceleration in line with the National Infrastructure Plan (NIP) 2050. An infrastructure investment pipeline that is emerging from project preparatory activities of Infrastructure South Africa presents immense potential for leveraging private sector investment and other sources of funding. Effective implementation should be supported by a more transparent mechanism of half-yearly reporting on the pipeline of priority infrastructure projects based on key performance indicators, set out in annual performance plans, and, where relevant, tied into conditional grants, with consequences for non- and/or slow delivery.

The economy's structure has shifted, with a decline in manufacturing contribution to GDP and an increase in the contribution of services, namely financial services, tourism, and new industries such as global business services.

Industrial policy must focus more on employment intensity. Focus on re-industrialisation to revive manufacturing and innovation given their high employment multipliers. The approach must strengthen the services sector, which has increased employment significantly since 1994. New growth industries have emerged, e.g., global business services, tourism, film and television production, finances, and e-commerce, strengthened as employment sources. Discovery of oil and gas resources present immense potential for the economy.

Review of policy on industrial incentives can help optimize the available instruments to maximise impact including greater employment outcomes. Existing incentives and support for small enterprises, youth and women empowerment need streamlining, with a view to harmonise, pool resources to enhance scale and efficacy. Scale-up successful public employment programmes to support youth development and improve access to sustainable livelihoods.

Prioritise economic outcomes of international engagements. Introduce direct measures to translate the established international relations and influence into improved economic benefits, including through expanded inward FDI investment, exports, tourism and cultural industries, knowledge and technology access. Over the three decades, FDI inflows have been modest and comprised mostly of portfolio investments, whereas the country required more FDI to expand the productive capability and create jobs; Exports grew faster than imports (achieving trade surplus) but were always dominated by mineral resources. Low manufacturing competitiveness has been a challenge, hence many firms in the clothing, textiles, footwear and electronics closed down and shed jobs when faced with cheaper imports. The approach going forward must seek to strengthen the services sector, which has managed to increased employment significantly since 1994.

Reform State-Owned Enterprises (SOEs). Finalise and implement the State Enterprise Bill to improve SOEs' governance and developmental impact. Continue with existing interventions – Transnet turnaround, Eskom unbundling, recovery of ports capability and efficiency, repair of rail and road network, etc.

Reform the public procurement system. Finalise and implement the Public Procurement Bill, including reviews of procurement mandates and capacity of the State Information Technology Agency (SITA) and the Department of Public Work and Infrastructure (DPWI), and amendments that support local procurement and are appropriate for infrastructure delivery pipeline.

CHAPTER 5:

HUMAN CAPITAL, INNOVATION AND ACHIEVING COMPETITIVENESS

This chapter reflects on the steps the democratic government has taken since 1994 to improve education, skills, and innovation, highlighting critical legislation, policies, and interventions. It assesses how the basic education, post-school education and training (PSET), and science and innovation systems have progressed towards the inclusive development goals of the democratic government. In addition, the strategic priorities are identified to shift the trajectory of developing human capabilities and innovation towards the envisaged future over the next five-year period.

Education, human capabilities, and innovation are necessary foundations for a nation's competitiveness and for running a capable state. They shape the workforce, encourage the creation of new and original ideas, and increase adaptability. Effective education, training, and innovation are necessary to grow the economy, equalise opportunities for South Africans, and drive innovation. This is especially true when one considers that Education, Skills, and innovation play an important role in increasing chances for social upward mobility of individuals, and the converse is also true - that limited education and unemployment are the two main channels through which multidimensional poverty in South Africa is perpetuated.[79,80]

Previous reviews have documented how the democratic government was faced with the enormous task of piecing together a racially biased and fragmented education system, with a massive backlog into developing institutions that could align opportunities for adults and youth into a single and coherent form, all within the context of rebuilding a society ravaged by deep structural inequalities.[81, 82, 83]

The democratic government in 1994 inherited a basic education system that was racially biased and fragmented[84]. Schools were fragmented along racial, tribal, and geographical lines, operating under 19 education departments treated unequally and producing unequal outputs and quality[85]. The education budget was disproportionately allocated according to race, with nine-times more dedicated to the education of the white minority population.[86] The system had only 53% of the teachers appropriately qualified in 1990. Consequently, the white minority enjoyed better education resources, while the African majority's education system was vastly under-resourced with limited quality. The education system was characterised by inequality in access, infrastructure, internal efficiency, and the quality of inputs and outputs[87, 88]. It was designed to perpetuate disparities based on race, class, and gender.

Post-school education and training provisions did not cohere at a systems level. The higher education system was administered by different policies, with universities and technikons having different governance systems. Teaching, nursing, agricultural and technical colleges had separate governance and provisioning structures and systems within provinces under their respective national and provincial departments and were not located within a common qualification framework. In addition, the provision of vocational education and training was inadequate. Although enrolments at technical colleges increased by 70 per cent between 1987 and 1994[89], apprenticeship contracts were dwindling, partly due to parastatals no longer seeing this as part of their core role in producing artisans.

By 1994, the technical college 'system' was a complex mix of historically white institutions with considerable autonomy, historically black urban colleges with far less autonomy, and former homeland colleges and training centres. All of these had to be incorporated into one system with a standard governance and finance model by creating 50 non-racialised, multi-site colleges.

Lastly, the democratic government inherited a science, technology, and innovation (STI) system designed to benefit the minority and to ensure South Africa's regional military dominance, food security and energy to combat the effects of international isolation, which was in place at the time of transition.

[84] African National Congress, A Policy Framework for Education and Training, Discussion document, January 1994 {the "Yellow Book https://www.africa.upenn.edu/Govern_Political/ANC_Education.html

[85] Hindle. D (2007) Commonwealth Education Partnerships 2007 https://www.cedol.org/wp-content/uploads/2012/02/148-150-2007.pdf

[86] Sayed, Yusuf, and Anil Kanjee. "An over view of education policy change in post-apartheid South Africa." In The search for quality education in post-apartheid South Africa: Interventions to improve learning and teaching, edited by Yusuf Sayed, Anil Kanjee and Mokubong Nkomo, 5-39. Cape Town: HSRC, 2013

[87] DPME (2014) TWENTY YEAR REVIEW SOUTH AFRICA 1994 – 2014 BACKGROUND PAPER: EDUCATION https://www.dpme.gov.za/publications/20%20Years%20Review/20%20Year%20Review%20Documents/20YR%20Education.pdf

[88] SAIRR, 1995/96 South Africa Survey, p.97

[89] SAIRR, South Africa Survey, 1994/95, p.217

The STI was supported by institutions that did not align with the country's development needs and was staffed by the minority, excluding the majority from participation[90]. It promoted sectional interests that were poorly coordinated while isolated from the international STI ecosystem.

The narrow nature of the post-1994 era research and development (R&D) agenda, even in non-defence fields, served the interest of the minority. The government focused on agricultural R&D and resources to meet the needs of commercial farmers to ensure food security but ignored the needs of smallholders to drive livelihood strategies. Furthermore, South Africa's increasing international isolation took its toll on the emerging innovation system. For example, players in the national innovation system (NIS) were deprived of unrestricted access to an international scientific and technological colloquium, technology networks, and transnational corporate collaboration in the 1980s due to South Africa's withdrawal from the Commonwealth in 1961[91]. In addition, the system was characterised by an overwhelmingly white and male human capital component and unbalanced research performance among the South African institutions of higher education (HEIs).

LEGISLATION, KEY POLICIES AND PROGRAMMES

Over the past thirty years, a comprehensive legislative and policy framework has been established to provide strategic direction for transforming the Basic Education, PSET, and innovation systems. This framework addresses the demands for justice, equity, and redress. A key focus of the new education policy frameworks was to accelerate participation and improve performance while responding to changing social and economic needs. These principles informed governance and funding frameworks, policies, and strategies to orient public investment and offer more learning opportunities to more citizens.

The first 10 to 15 years were focused on undoing the apartheid systems, structures and cultures and setting up new governance arrangements that reflected democratic principles. Putting these governance arrangements into place took up a tremendous amount of effort. Since the 2000s, the monitoring and evaluation of the effects of the new policies have shown that 'progressive policies do not guarantee successful implementation'. In addition to enacting policy, greater attention needs to be paid to the implementation of policy and the resources available for its implementation[92]. In addition, policy coordination to promote development at a programme level is more complex than envisioned. A joined-up approach is difficult to negotiate in practice (Naidoo, 2013)[93]. Legislative analysis shows 'institutional sprawl' in the PSET regulatory space, referring to the numerous authorities, councils, bodies, etc., that are *not directly involved in skilling* but have advisory functions and/or functions related to funding, governance, planning, quality assurance, etc. This is both expensive and affects service delivery because of the many hoops one must go through to get things done.[94]

OVERRIDING NATIONAL ASPIRATIONS

The state of human capabilities inherited in 1994 is best understood when contrasted with the NDP (2030) vision[95]. By 2030, the NDP's vision is for all children to have access to a high-quality education system that develops the literacy and numeracy of its learners to globally competitive standards. The Post School Education and Training (PSET) sector is envisaged to become integrated, responsive, and equitable, providing opportunities for lifelong learning and contributing towards rising income as learners are equipped to support the knowledge-intensive economy. This vision is to be supported by a broader innovation system that connects universities, science councils, and other key participants in research and development with important sectors of the economy that should support the development of human capabilities.

90 Van Ameringen, M. (Ed.) (1993) in M. Kahn (2008) Africa's Plan of Action for Science and Technology and Indicators: South African Experience. The African Statistical Journal, Volume 6, May 2008 https://www.academia.edu/98162230/Africas_plan_of_action_for_science_and_technology_and_indicators_South_African_experience

91 Scerri, M. 2009. The Evolution of the South African System of Innovation since 1916. United Kingdom: Cambridge Scholars Publishing

92 Mthethwa, RM 2012, 'Critical dimensions for policy implementation', African Journal of Public Affairs, vol. 5, no. 2, pp. 36-47 Mthethwa, RM 2012, 'Critical dimensions for policy implementation', African Journal of Public Affairs, vol. 5, no. 2, pp. 36-47. Jansen, J.D. and Sayed, Y. (2001) Implementing Education Policies: The South African Experience. UCT Press

93 Naidoo, V., The challenges of policy coordination at a programme level: Why joining-up is hard to do, Development Southern Africa, 30:3, 386-400, DOI: 10.1080/0376835X.2013.817309

94 Reddy, V., Wildschut, A., Luescher, T.M., Petersen, I. and Rust, J. (2018) Skills Development Legislation as a Lever of Change to Reduce Poverty, Inequality and Unemployment. An HSRC Report commissioned by the High Level Parliamentary Panel to review legislation.

95 https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf

This progress in building the human capabilities of South Africans and interventions undertaken by democratic South Africa are meant to lead to four kinds of transformations throughout the education system, which are analysed, namely:

- Improve access to the institutions for building human capabilities at all levels.

- Build more efficient systems to produce skilled and educated young people to support innovation.

- Implement support programmes to improve the quality of education and training that can facilitate authentic, inclusive, and sustainable change.

- Support and capacitate responsive institutions that can adapt to external shocks, such as rapidly changing technology, global economic crises, and global health pandemics.

MAJOR MILESTONES AND ACHIEVEMENTS

Over the years, the country has progressed in educational outcomes, with an increasing number of individuals aged 20 and older attaining Grade 12 as their highest level of education, rising from 16% in 1996 to 38% by 2022. This progress is accompanied by a decreasing proportion of the population with no schooling, some primary or completed primary school as their highest level of qualification. The most notable achievement is the sharp decline in the percentage of those whose highest level of education is no schooling, dropping from 19% in 1996 to 7% in 2022.

Figure 31: Population aged 20 years and older by educational attainment
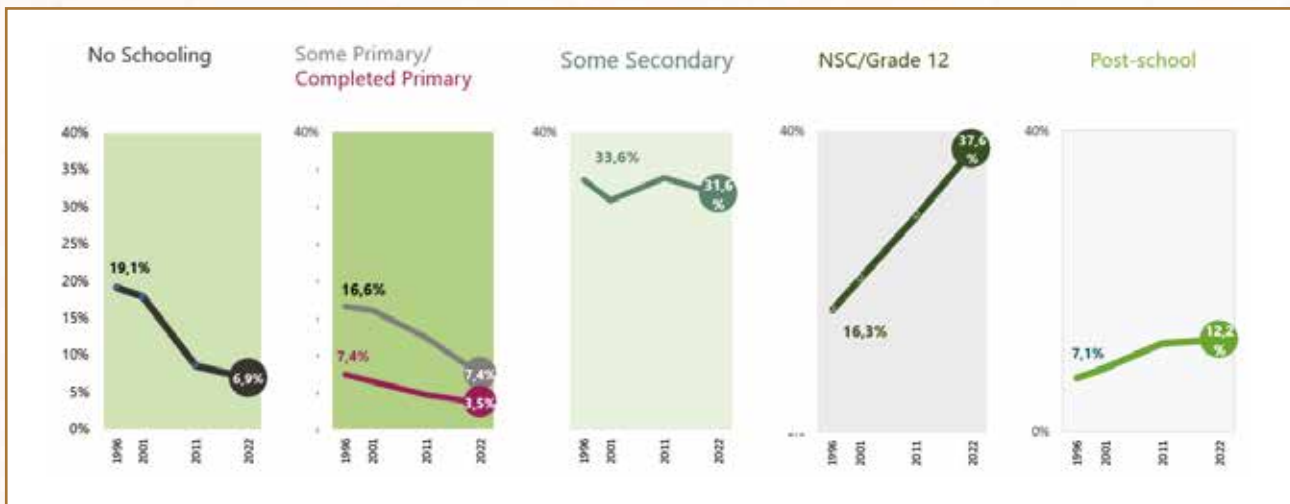
Source: STATSSA (2023) Census 1999-2022

The challenge remains that increase in the population with post-school qualifications as the highest qualification is progressing slowly, with 12% of the population with post-school qualification in 2022 compared to 7% in 1996. There are still some access issues that the country needs to deal with. Census data shows the country has only improved by 3% of persons aged 5–24 years attending an educational institution, increasing from 70,1% in 1996 to 73,4% in 2022.[96]

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[96] Census 2022 media release https://www.statssa.gov.za/?p=16716

Access to institutions for building human capabilities at the Basic Education level

A major policy change during the sixth administration is the function shift in 2022 of **Early Childhood Development** from the Department of Social Development to the Department of Basic Education. Basic Education is expected to take the core responsibility for this sector while leading a coordinated strategy across departments. This is a significant step towards ensuring a proper foundation is laid for children to develop their capabilities. A child's first five years of life are crucial for development when most brain growth occurs. Therefore, children need care during this stage of Early Childhood Development (ECD). The appropriate care must include suitable healthcare and nutrition, stimulation, stress relief, and chances for play and learning[97, 98].

Figure 32: Population aged 5-24 years attending an educational institution

	5 years	6 years	7 years	8 years	9 years	10 years	11 years	12 years	13 years	14 years	15 years	16 years	17 years	18 years	19 years	20 years	21 years	22 years	23 years	24 years
1996	22.5	49.1	73.1	81.8	87.9	91.3	93.6	94.4	94.8	94.4	92.7	89.3	84.1	75.7	65.3	54.6	45.8	37.0	28.8	23.1
2001	45.6	70.3	88.4	93.4	94.6	94.4	94.8	95.7	95.1	94.0	91.3	87.4	81.5	70.7	57.9	46.2	35.7	25.5	18.8	14.0
2011	81.1	92.6	96.0	96.7	97.0	96.7	96.8	96.1	95.8	95.4	93.8	90.8	85.5	74.2	58.8	45.7	34.8	25.3	19.1	14.9
2022	92.4	95.0	95.7	95.9	96.0	95.8	95.6	95.4	95.0	94.5	93.3	90.6	80.6	59.9	46.2	37.0	30.1	23.2	18.6	15.7

*Source: STATSA (2023) Census 1999-2022.*

The country has made tremendous progress, evident in the increased access for 5-year-olds: from 23% in 1996 to 92%, an increase of nearly 70 percentage points by 2022, according to census data, achieving near-universal access. Similarly, the country has accomplished a comparable feat with access for 6- and 7-year-olds. The significant story is the improvement in access for children aged 5 to 10 years and the reduction in the number of over-age learners. Such access would not have been possible without concerted efforts, interventions, and dedicated budgets. For learners aged 5 and 6, enrolment has grown to be near universal, demonstrating the government's commitment to ensuring that two years of pre-Grade 1 become compulsory. This is an improvement from the 23% of 5-year-olds and 49% of 6-year-olds who were in institutions of learning in 1996.[99]

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[97] Dulvy Elizabeth Ninan; Devercelli,Amanda Epstein; Van Der Berg,Servaas; Gustafsson, Martin; Pettersson Gelander,Gunilla; Kika-Mistry, Jesal; Beaton-Day,Frances Mary (2022). South Africa Public Expenditure and Institutional Review for Early Childhood Development (ECD PEIR) (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/099192001242341964/P1756791e5e59bde1ad6714d311b6261dd284d0e6d65

[98] Dulvy Elizabeth Ninan; Devercelli,Amanda Epstein; Van Der Berg,Servaas; Gustafsson, Martin; Pettersson Gelander,Gunilla; Kika-Mistry, Jesal; Beaton-Day,Frances Mary (2022). South Africa Public Expenditure and Institutional Review for Early Childhood Development (ECD PEIR) (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/099192001242341964/P1756791e5e59bde1ad6714d311b6261dd284d0e6d65

[99] Source: StatsSA (2023) Census 2022

Figure 33: Percentage of 0-6-year-olds attending an educational institution, 2009-2021
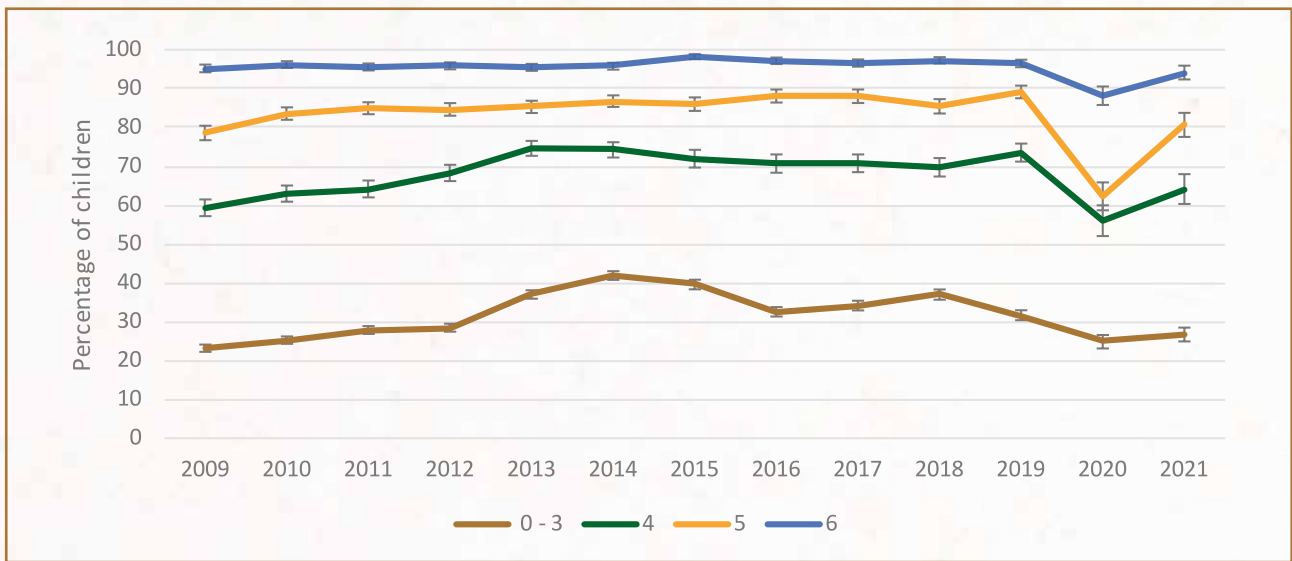
Source: Statistics South Africa, General Household Survey (GHS), DBE own calculations. Notes: 95% confidence intervals shown

The Covid-19 disruptions in 2020 and 2021 adversely affected the education field, resulting in learning losses as a result of school closures, online teaching, and rotational timetables[100]. Covid-19 laid bare the inequalities that the education system is still faced with in terms of availability of water, sanitation, and connectivity. At the same time, it also showed a resilient system able to respond to challenges and able to develop guidelines to remove uncertainty in the shortest possible time.

A challenge persists for the large proportion of 0-3-year-olds not enrolled in any educational institution. Furthermore, access remains variable, with unequal provision continuing to depend on the learners' socioeconomic background and location, being less in rural provinces than in urban areas. It is important to build a flexible public system that allows stimulation and support regardless of the socio-economic background. That system should enable parents to have options for being able to return to employment but allow children to be developmentally supported and stimulated.

The ECD sector is an example of how much can be achieved through collaboration between government and the non-state actors. Besides the many NGOs actively providing ECD over the years, the government worked with the private sector for example Lego Foundation to map Early Learning provision nationally as a foundation for planning for the sector. While the results of this collaborative work show much more needs to be done to ensure all the children in the country have a sound foundation to build their human capabilities, it shows the importance of collaborating with different stakeholders to provide services to the citizens.

Great strides have been evident in basic education since 1996 in that there is near universal access for the compulsory schooling age group (learners from 7 to 15 years), with attendance between 97% and 99% of this group by 2021[101]. The big story is the improvement of access for five to ten-year-olds and the decrease of overage learners in the system over the years. The number of 16-18-year-olds not attending education is declining over time. Still, it remains a significant concern because of the devastation of young people joining the 'Not in Education, Employment, or Training' cohort (NEET) without grade 12.

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[100] Spaull, N., Daniels, R. C., et al. (2021). NIDS-CRAM Wave 5 Synthesis Report 1.-Spaull-N.-Daniels-R.-C-et-al.-2021-NIDS-CRAM-Wave-5-Synthesis-Report.pdf (cramsurvey.org)

[101] STATSA (2023) Census 2022

Pro-poor policies played a significant role in driving this change by reducing the opportunity cost of attending school. Core programmes supporting access have had success but face new challenges that require response and adaptation without eroding the progress achieved through them. Some of the pro-poor interventions include:

- **The National School Nutrition Program** (NSNP) has successfully fed over 9.6 million learners daily (school days) in over 21 000 public primary, secondary, and the identified special schools. The government currently spends over R18 billion in nominal terms to feed learners, combating hunger on every school calendar day. This is a huge improvement from when the program covered over 6 million learners in 18 000 schools in 2006[102]. The Auditor General's assessment (2021/22) suggests there is room for efficiency gains regarding deliveries and using funds for related purposes, especially in the current context of rising food prices. Going forward, the government must develop systems that will allow it not to be a price taker so that much can be gained from this limited budget.

- **Scholar transport** enhances access by ensuring accessibility and safety, which is invaluable, especially for learners who walk long distances. The programme requires more attention to safety, given poor vehicle quality, better allocation of scarce resources and broader coverage in isolated areas.

- The number of **no-fee schools** has grown significantly, with 76% of learners exempted from paying fees by 2021, which is vital in removing costs as a barrier to attending school.

- Support to **learners with special** needs has been prioritised, with resources provided for learners, making it possible for them to learn.

- Some forms of **school connectivity** have been extended to over 80% of schools, but only 10% is suitable for teaching and learning because of the limited bandwidth provided. The priority now is to upgrade broadband technology on a significant scale to take advantage of online resources.

- School infrastructure programmes such as the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) have continuously built schools over the years as part of eradicating inappropriate school infrastructure. The SAFE programme, launched in 2018, identified 3,382 schools reliant on basic pit toilets, by August 2023, about 2,871 sanitation projects had reached practical completion with the remaining set to be completed by the end of the 2023/24 financial year. However, significant challenges persist in supplying energy, water, appropriate sanitation, and appropriately built schools with progress slower than anticipated. In addition, weak management by implementation agents contributes to delays in the building of school infrastructure A pressing concern is the constant emergence of new backlogs attributable to limited maintenance, vandalism, and the adverse climatic conditions experienced.

Text box 3:
Technology solutions for sanitation in schools

The South African Department of Science and Innovation (DSI) has entered into a partnership agreement with the Bill and Melinda Gates Foundation (BMGF), the South African Water Research Commission (WRC), the Department of Human Settlements (DHS), and the Department of Water and Sanitation (DWS) to pilot, demonstrate and commercialise innovative sanitation technologies, including the "Reinvent the toilet" technologies developed through the BMGF and our own South African sanitation innovators and technology developers, within the framework of South African Sanitation Technology Enterprise Programme (SASTEP).

This flagship programme introduced sanitation technologies to support the Schools Sanitation Programme (SAFE) programme initiated by the President. The programme is also piloting and testing several non-sewered sanitation technologies nationwide in schools and various communities.

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This flagship programme introduced sanitation technologies to support the Schools Sanitation Programme (SAFE) programme initiated by the President. The programme is also piloting and testing several non-sewered sanitation technologies nationwide in schools and various communities.

Access has also been accompanied by an improvement in the number of learners reaching Grade 12 over time as a cohort. In 2013, 40% of the 20-year-old cohort had achieved Grade 12, whereas by 2021, this figure was closer to 60%. With each successive cohort, more youths are reaching Grade 12 (see Figure 12).

Statistics South Africa reports that, in 2021, about 3% of 15-year-olds and nearly 9% of 17-year-olds dropped out of school.[103] School dropout exacerbate other societal challenges as persons without matric are more unlikely to access employment opportunities. Socio-economic status of family, including lack of money and poor academic performance are cited among the reasons for dropout.

Figure 35: Successful completion of 12 years of education between 2006 and 2022
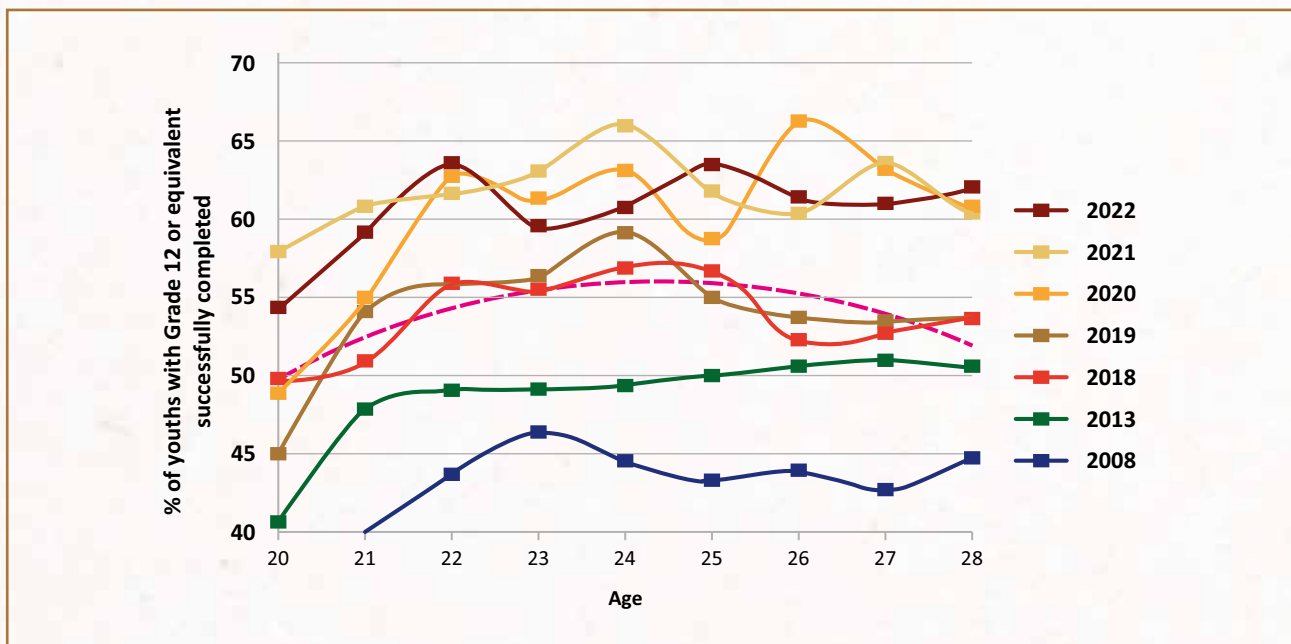
Access to institutions for building human capabilities at the Post-school Education level and STI

The PSET system has a wide range of offerings to address the demands of young people and the economy: higher education, technical and vocational education and training (TVET), community colleges, artisan training, learnerships and skills programmes. Over the past thirty years, the main pressure has been increasing access and ensuring opportunities for the growing youth population. Science, technology, and innovation (STI) is one of the instruments used to tackle the pressure by providing a platform for innovation to address the country's multiple challenges by offering possibilities to challenge the low economic growth trajectory[104]. Therefore, STI helps not only support new ideas but also accumulate critical levels of human capital to support the changing economy.
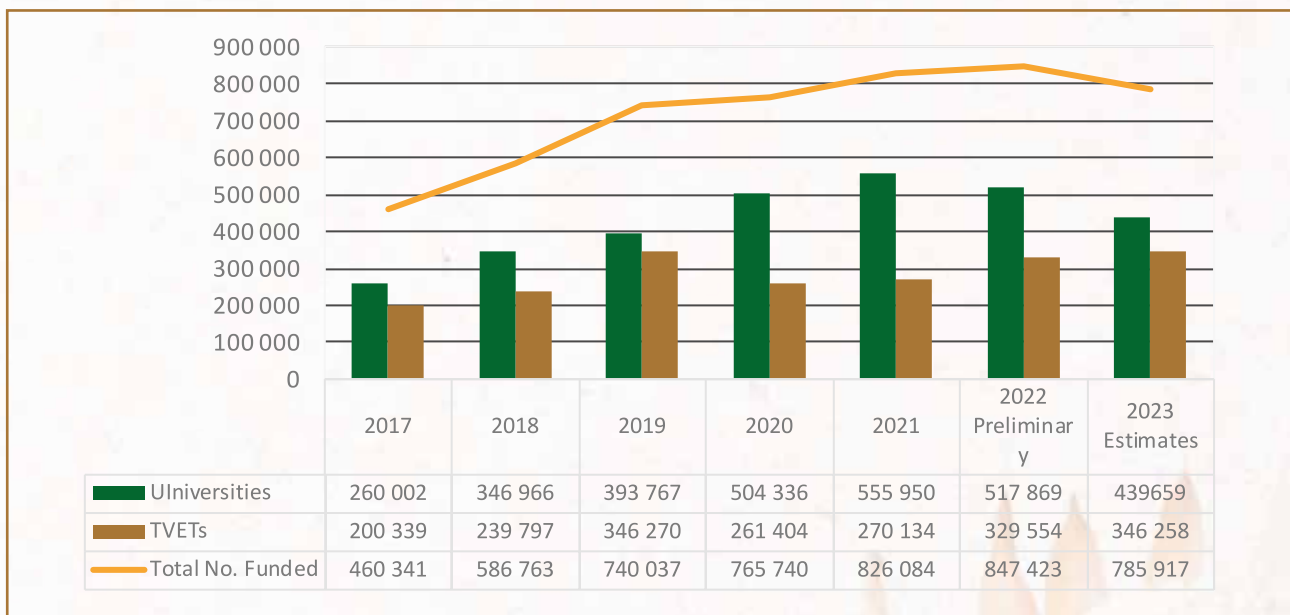
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103   Stats SA General Household Survey, 2021

104   DSI/NRF South African Research Chair in Industrial Development (2021) Innovation and socioeconomic development challenges in South Africa: An overview of indicators and trends

The NDP enrolment target of 1.6 million students in higher education by 2030 is likely to be reached. Currently, there are 1.3 million students enrolled, 82% in public and 18% in private institutions. This progress and the positive growth trajectory reflect government investments, community and family commitments over the past three decades.

Increased access to higher education is driven by growing proportions of female enrolments (61% by 2021), particularly in distance education modes of learning, at undergraduate levels, and increasingly, in traditionally male-dominated fields. Enrolments are highest in Science, Engineering and Technology fields, but Humanities and Education enrolments combined are more significant.

Figure 35: Number of students benefiting from NSFAS

	2017	2018	2019	2020	2021	2022 Preliminary	2023 Estimates
UIniversities	260 002	346 966	393 767	504 336	555 950	517 869	439659
TVETs	200 339	239 797	346 270	261 404	270 134	329 554	346 258
Total No. Funded	460 341	586 763	740 037	765 740	826 084	847 423	785 917

Source: Statistics on Post-School Education and Training in South Africa 2021, Unverified Reported NSFAS beneficiaries report submitted by DHET, March 2023

The National Student Financial Aid Scheme (NSFAS) has enabled many young people to access university and TVET college training. NSFAS represents one of the most progressive efforts by the democratic government to systematically break the legacies of inter-generational social inequality in access to and outcomes of post-school education and training. Many students have benefited from this programme, supporting 43,876[105] students in 1995 and 555,950[106] in 2021.

Over the ten years from 2011 to 2020, funding from the NSFAS increased by R31.1 billion, with the most significant increase observed for Historically Disadvantaged Institutions (HDIs), amounting to R26.0 billion. However, the transformative impact of the NSFAS bursary scheme has not benefited the middle class. While the conversion of NSFAS into a full bursary scheme was an important policy change in response to #FEESMUSTFALL, families earning more than R350 000 could not access this funding and therefore doors of learning were closed for those who did not have alternative sources of funding for their education and training. The bursary scheme's growth has also shown that it is not sustainable in its current form because students do not have to refund the scheme meaning more funding is needed every year. Consequently, the Department of Higher Education and Training (DHET) and its stakeholders have been working on reforming the scheme to ensure its sustainability, to cater for the missing middle while also sending a clear signal to students and institutions about what government priority skills are while placing student funding on a sound administration. In improving student funding, it should be remembered that the funded students represent young people from low socioeconomic backgrounds who, in the absence of NSFAS, could not build their human capability.

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[105] P. DE VILLIERS, C. VAN WYK, S. VAN DER BERG (2013) The first five years project – a cohort study of students awarded NSFAS loans in the first five years 2000-2004 . Stellenbosch Economic Working Papers: 11/13 https://resep.sun.ac.za/wp-content/uploads/2017/10/wp-11-2013.pdf

[106] Statistics on Post-School Education and Training in South Africa 2021,

Growth over the years in Technical and Vocational Education and Training (TVET) college enrolment has been at a slower rate compared to university enrolment. In 1999, TVET college enrolment stood at 357 885, which more than doubled by 2015 but has since declined to 589,083 in 2021. This decline is partly attributable to COVID-19 but also to limited budgets, enrolment caps, and a weak student market signal, which constrain expansion at a more rapid rate, unlike in the university sector. This decline is contrary to the NDP's commitments, which aim for a headcount enrolment in TVET colleges of 2.5 million by 2030. The demographics of the student population have changed, with most students, 92%, now being African, and there is a growing participation of females.

The NDP target for enrolment in the **Community Education and Training** sector, which offers opportunities to skill those young people unable to access university or TVET colleges, is 1 million students by 2030. Yet, enrolments are declining in these vital second chance programmes, with only 143 031 students enrolled in 2021, compared to 294 855 in 1999. This decline in access is happening while the number of young people joining the NEET category is increasing, trapping youth in cycles of poverty. A new vision for the sector is needed to be more responsive in developing skills to support youth to be economically active.

There has been a decline in the registrations for Sector Education and Training Authority Supported Learning Programmes. The 21 SETAs must implement skills plans by facilitating the delivery of improved sector-specific skills to implement the National Skills Development Strategy. They are expected to ensure that intermediate and high-level skills are developed among both workers and the unemployed. In 2021/22, 130 264 learners registered, with learnerships accounting for 55.2%, followed by skills programmes (37.4%) and few internships (7.4%). The decline highlights the significance of working with the private sector. Likewise, **artisan development** has grown and shrunk since 1994 but declined to a low of 15,107 in 2020, showing the impact of the pandemic, with a persistent gender gap of only 31% of females. The decline is linked to challenges in the state-owned enterprises that historically offered 80% of training but have since moved away from this role, leading to critical shortages of technical skills.

In general, increased access to PSET was made possible by enabling policies and interventions designed to support the expansion of the system, including student funding, building institutions and creating opportunities. By 2021, the government allocated R43 billion for public universities, R11.3 billion for TVET colleges and R2.1 billion for CET colleges. Key funding initiatives such as the National Student Financial Aid scheme, the National Research Foundation Post-graduate bursary scheme, and the National Skills Fund are part of the enabling conditions put in place.

Despite these successes, the demand for post-school opportunities is far greater than the available funds, and pressure will increase as the schooling pipeline improves, particularly for learning pathways other than university.

Without expansion of PSET enrolment, particularly in TVET and CET colleges, the country cannot create the human capacities needed to drive a digitalising knowledge economy and is increasingly disadvantaged to compete globally. Countries such as Brazil and Turkey have more people with tertiary education than South Africa. We have a similar proportion with India.

The evidence also suggests that especially TVET programmes are not sufficiently targeted at the skills the economy needs. There are also internal inefficiencies with some TVET programs having very low enrolments. Addressing these constraints requires non-traditional education and skills development methods and institutions for example taking advantage of Massive Open Online Courses (MOOCS), working in close partnerships with the private sector and private providers, and adopting technology-based solutions.

**Figure 36:** Educational attainment among 25-64-year-olds (2022)
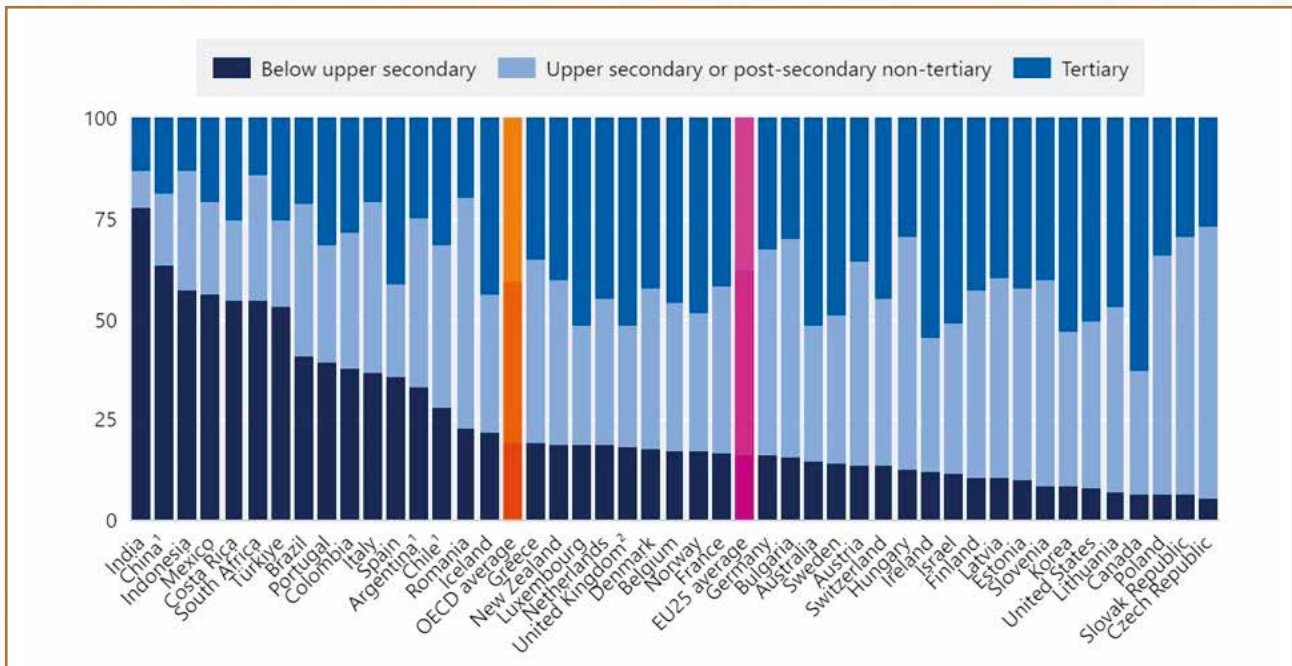
Source: OECD (2023), Education at a Glance 2023: OECD Indicators, OECD Publishing

Efficiency of the Basic Education system in producing skilled and educated young people

While the government invests in widening access, the broader question is whether learning and training institutions can effectively convert the input provided into qualifications to benefit from these efforts.

Figure 37: International literacy and numeracy assessments: Learners reaching minimum thresholds
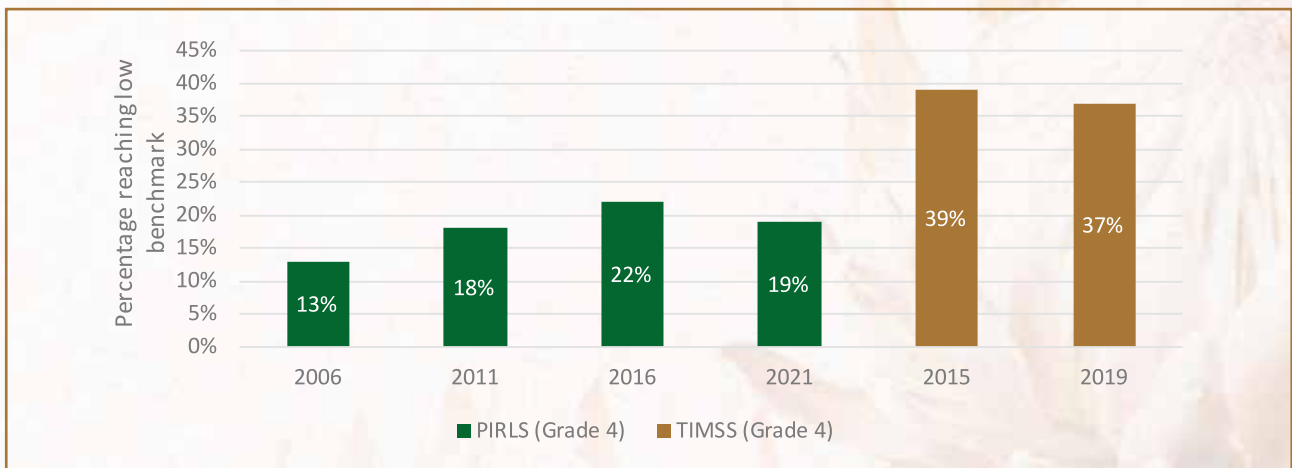
Source: Progress in International Reading Literacy Studies (PIRLS) and Trends in International Mathematics and Science Studies (TIMSS)

> *International assessments show the system has been on a positive trajectory in reading literacy in primary schools (PIRLS) till 2016. PIRLS results have improved relatively quickly, off a low base. However, it declined in 2021, which is worrying. The pandemic interrupted children's learning in devastating ways, and its effects will be difficult to eliminate entirely. It will be important to see how the country will recover from the learning losses that learners experienced during the pandemic and put South Africa on a positive trajectory in terms of reading performance.*
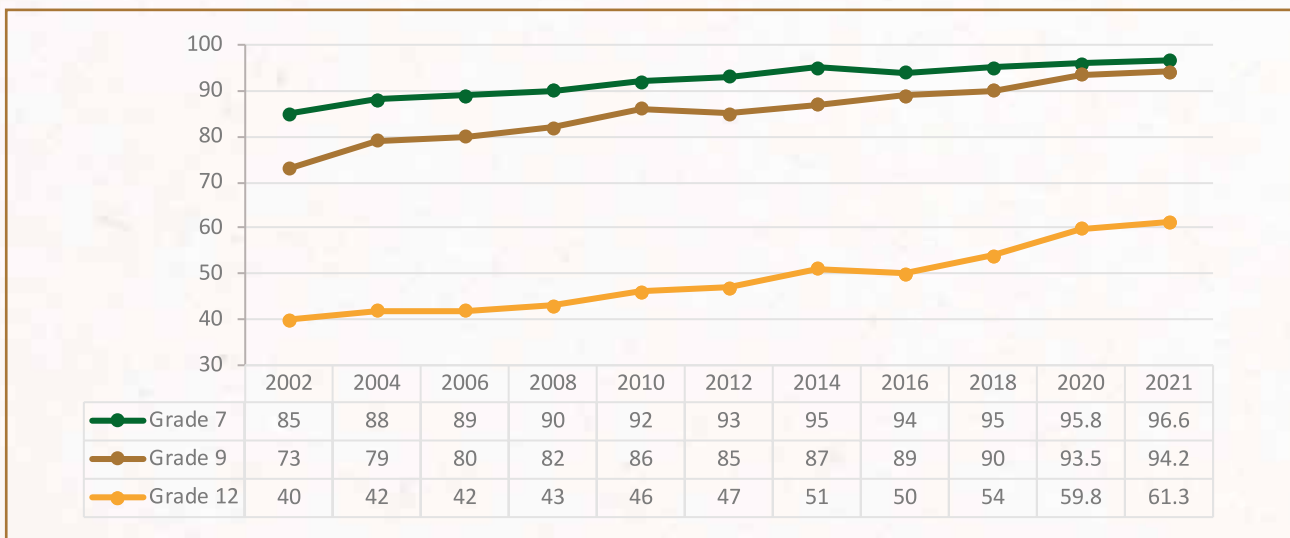
For TIMSS, in primary schools 37% of learners in Mathematics and 28% in Science demonstrated basic understanding. The Grade 5 TIMSS Mathematics trend between 2015 and 2019 was flat, indicating more work is needed to see increases in performance by using the Systemic Evaluation results to put in place programs that increase performance so that the country can be on a higher trajectory going forward.

At secondary level, the TIMSS performance saw 11% reaching the minimum threshold levels in 2003, there was an improvement in 2011 with 25% now reaching minimum threshold performance. There was further improvement in 2015 and 2019 with 34% and 39% respectively reaching minimum threshold levels. This evidence leads us to conclude that the secondary school performance is improving, but the pace of this improvement may not be enough to meet the country's social and economic skills needs.

Significant inequalities exist between provinces and learners from different socioeconomic backgrounds. Correlated with this, disparities between fee-paying and non-fee-paying schools indicate that the public schooling system still produces bimodal outputs. It is concerning that the current trends in education reveal a weak foundational learning system. The fact that 81% of Foundation Phase students struggle with reading comprehension affects the whole of society. To address this issue, teaching and learning literacy and numeracy must be prioritised in basic education. The government, NGOs, and private sector must demonstrate their commitment to this effort by allocating resources accordingly and work on innovative ways to improve students' reading and numeracy skills.

Completion rates at critical schooling points - grades 7, 9 and 12 show that the system is on a positive trajectory, improving over time, but Grade 12 remains a challenge with a completion rate of 60% in 2021.
If the proposed new General Education Certificate (GEC) is implemented, those who do not reach Grade 12 will have a nationally comparable certificate to indicate to the labour market that they have gone beyond the Foundation phase. However, it is important that that GEC does not become a termination of schooling, instead it should serve signal to learners whether to go the academic or technical route.

Figure 38: Grade Completion Rates 2002-2021

	2002	2004	2006	2008	2010	2012	2014	2016	2018	2020	2021
Grade 7	85	88	89	90	92	93	95	94	95	95.8	96.6
Grade 9	73	79	80	82	86	85	87	89	90	93.5	94.2
Grade 12	40	42	42	43	46	47	51	50	54	59.8	61.3

Source: DBE submission for the 30-year review

The growth in the number of learners successfully completing Grade 12 and average Grade 12 pass rates is also on a positive trajectory, reflecting the impact of extensive interventions to support learners at this segment of the system supported by teachers and parents. The challenge is how to also pay more attention and resources to phases below Further Education and Training (FET).

The number of learners passing at the Bachelor Level also continues to be on a positive trajectory, with improvements in pass rates from no-fee schools. Learners can also be encouraged through effective guidance at the school level to choose to enter other PSET offerings in TVET, CET and skills programmes. For example, some 80% of achievers of the NSC qualify to study at a university by having achieved either a Bachelor- or Diploma-level NSC, with the two levels corresponding to around 280 000 and 190 000 youths in 2022. This supply from the schooling system is more than enough to cater for the current annual intake of

first-time university students, of around 210 000 (this includes public and private universities, with students enrolling for a Bachelor's degree accounting for just over half of the total). The demand for space is going to increase with time and the university sector, inclusive of public and private, needs to plan for this growth. The challenge for the state is to create several pathways (with places) post grade 12 that can provide training rather than traditional brick-and-mortar places of training and gaining a qualification. The several pathways that must be accompanied by increased success and efficiency in PSET institutions.

The challenge going forward is how to sustain and expand this improvement across the system and meet the expectations of young people. Understanding the drivers of positive performance despite challenges can enable the identification of appropriate interventions that can be replicated. If the same dedication and focus is provided at the Foundation phase as for matric learners, the result would be better-prepared learners, reducing the need for the high-level resources currently allocated to Grade 12 interventions.

Efficiency of the Post School Education and Training system in producing skilled and educated young people The number of graduates emerging from the Post-School Education and Training (PSET) system, particularly from universities, has risen. Graduates in Science, Engineering, and Technology continue to increase, with a notable rise in female graduates. This country has surpassed the targets set for human and health sciences, animal sciences, veterinary sciences, and initial teacher education qualifications. Prioritisation should shift to areas in economic demand such as STEAM and other areas identified in the Occupations in High Demands and in Skills Supply and Demands Reports. More women than men are now earning doctoral degrees in STEM fields, and there has also been a significant increase in the number of black doctoral graduates in STEM fields. In 2010, black doctoral students constituted around one-third of all doctoral graduates, but by 2020, this had risen to 44%. These developments represent positive changes in the field of STEM education[108].

High-end, PhD-level human capabilities are widely accepted as a driver of innovation. The NDP goal of producing 5 000 PhD graduates by 2030 is within reach. However, forecasts indicate that PhD graduates from the rest of Africa may soon outnumber those from South Africa without further interventions to incentivise and support South African students. Although the number of black PhD graduates is the highest, a proportionately larger number of white students are graduating. Female PhD graduations are set to rise, thanks to ongoing, deliberate gender support interventions. PhDs are a vital foundation for R&D and innovation. Despite the relatively low levels of investment in research and a small researcher capacity, research outputs compare favourably with comparator countries: the number of publications increased from 3 693 in 2000 to 27 052 in 2021. The world share of publications seems to have peaked at around 1% over the past five years, suggesting we are not improving as fast as our comparators. In Africa, South Africa is second after Egypt in the number of scientific publications. There has been a significant increase in the number of female authors contributing to university publications, rising from 31% in 2005 to nearly 42% in 2021[109].

Research suggests that young people are often incentivised to enrol for TVET study by the availability of NSFAS funding rather than choosing career pathways in areas in economic demand or as a first-choice place to study. On the other hand, students tend to struggle with the NC(V) curriculum (mainly engineering and IT subjects). At the same time under COVID-19 conditions, the number of those who registered wrote and completed TVET courses and the number of certificated artisans have declined. This coupled with low throughputs goes against making this sector attractive for young people. It is critical therefore to re-energise the momentum of growth in certification to satisfy the economy's skill needs while improving the throughput levels of the sector while improving the quality of its offerings to make this a place of choice for training. It is critical to re-energise the momentum of growth in certification to satisfy the economy's skill needs. It is evident that the TVET sector is on the wrong trajectory to meet NDP enrolments and that current levels of TVET funding are insufficient for South Africa to meet its TVET-related SDG commitments, with major infrastructure needs a constraint. Even the modest expansion targets set in the NDP require a two- and five-fold increase in recurrent and capital expenditure from current levels, respectively. That it is a valued sector must be demonstrated by increased resources.

108 National Advisory Council on Innovation (2023)SOUTH AFRICAN SCIENCE, TECHNOLOGY AND INNOVATION INDICATORS REPORT https://www0.sun.ac.za/crest/wp-content/uploads/2023/09/STI-Indicators-2023-Report.pdf
109 National Advisory Council on Innovation (2023)SOUTH AFRICAN SCIENCE, TECHNOLOGY AND INNOVATION INDICATORS REPORT https://www0.sun.ac.za/crest/wp-content/uploads/2023/09/STI-Indicators-2023-Report.pdf

Support programmes to improve basic education and training quality

The system cannot improve the life chances of learners and students if it does not pay attention to quality and outcomes. Critical quality interventions in basic education have been implemented at all levels.

For ECD, attention is being paid to increasing practitioners' access to professional learning programmes, given that a quarter of ECD practitioners currently do not have relevant qualifications. In addition to improving quality, the sector should develop interventions that are informed by the "Thrive by Five Index 2021" which will monitor trends in development outcomes of children enrolled in early learning programmes to assess how many children are on track for their age in crucial areas of development. The Index shows that 65% of children attending an ELP fail to thrive by five and cannot do expected learning tasks. Stunted growth is also a concern, as it is known to compromise neurological and cognitive development, with significant loss of an individual's potential, compromising the child's ability to learn in school. It is therefore important that DBE coordination be concerned with quality of provision for the first 1,000 days because it vital equaliser of opportunities and should be prioritised as an essential ingredient for reducing social inequalities.

The Funza Lushaka Bursary Scheme enables eligible students to complete a teaching qualification in identified critical subjects, boasting sound average output and these teachers are expected to be placed in teaching posts. . Nonetheless, the teacher placement component of the scheme faces challenges. Budgetary restrictions have resulted in fewer teaching positions becoming available, and graduates of the plan are now in competition with self-financed graduates for available funded teaching positions. However there scheme is still important with almost half of the current teachers set to retire within this decade. , There is a pressing need for modelling and planning to anticipate replacement demand in terms of field, phase, language of teaching and learning, and urban versus rural placements, among other factors and how this scheme will contribute to teacher replacement.

The NDP encourages various training providers to offer development opportunities to practising teachers, subject to approval by the South African Council for Educators. The sector continues to invest in continual teacher development, working with teacher unions. This is vital for improving learner performance, mainly when introducing new curriculum offerings and coping with the rapid changes in the basic education field. There is a need for top-down teacher in-service training initiatives while incentivising locally driven initiatives and encouraging professional learning communities. It is crucial that these programs do not interfere with learning program and must not result in loss of teaching time.

Support programmes to improve post-school education and training quality

The percentage of lecturers with PhDs has increased between 2010 and 2019 to 55%, exceeding the MTSF target of 51% in 2021 but far from reaching the 2030 target of having 75% of academic staff with a doctoral qualification. The intellectual capacity of South Africa's university system has experienced a limited growth rate. However, there has been no change in the capacity of universities focusing on Science, Technology, Engineering and Maths (STEM) fields over time. In 2010, staff in the STEM fields made up 51.5% of all workforces; by 2021, this percentage had only increased slightly to 51.9%. The percentage of both male and female staff aged over 60 years has increased from 7.3% in 2011 to 10.4% in 2020. This trend, combined with a decrease in lecturers aged between 20 and 29 from 7.9% in 2011 to 5.8% in 2020, requires the university sector to increase support to bring more people into the sector and for them to obtain PHDs.

There has also been progress on transformation targets. The proportion of black staff in instruction and research increased to 60% in 2021 (African, Coloured, and Indian or Asian permanent staff members), while the proportion of females has increased to 48%. This is facilitated by many interventions to improve the quality of higher education through developing current and future academics, promoting equity, and growing research capabilities at the heart of innovation, which have begun to show results.

- The **New Generation of Academics Program** (nGAP) and other initiatives aim to increase the proportion of academic staff with doctoral qualifications to enhance quality, success, and equity.

- The **Higher Education Leadership and Management** (HELM) programme focuses on developing and diversifying university staff in leadership and management positions or those with potential and interest in pursuing a university leadership and management career.

- The **Existing Staff Capacity Enhancement Programme** (ESCEP) was established in partnership with international role players.

- The Future Professors Programme prioritises black and female researchers at the senior lecturer level to enable them to apply for professorship positions.

- The **South African Research Chairs Initiative** (SARChi) is a flagship initiative of the Department of Science and Innovation (DSI), designed to attract and retain excellence in university research and innovation. It aims to support and strengthen the South African science system, enhancing it with high-quality post-graduate students, research, and innovation outputs. The 152 Research Chairs have effectively expanded the much-needed supervisory capacity within the higher education system.

- The joint Department of Science and Innovation (DSI) / National Research Foundation (NRF) Centres of Excellence programme fosters scientific research excellence, focusing on concentrating existing capacity and resources to enable interdisciplinary research collaboration.

- To address challenges in access and efficiency in TVET colleges, interventions target improving the quality of lecturers and strengthening the links and partnerships with industry to align with economic demand.

- 10 universities have received accreditation to offer TVET-related programmes.

- Providing college lecturers with industry-based training is crucial, but it is not improving at the expected rate, failing to gain momentum.

- TVET colleges, with the support of SETAs, continue to establish good relationships with industry for work-integrated learning placements, apprenticeships, and workplace exposure for lecturers. These partnerships allow the Sector Education and Training Authorities (SETAs) to gain labour market intelligence that informs sector skills plans and curriculum development.

Text box 4:
Astronomy and the SKA project in South Africa

Acceptance into the global STI ecosystem has made it possible for South Africa to participate actively in major scientific projects such as SKA, which would not be possible pre-1994. This is turn will further improve the quality of scientific work conducted by South Africans.

After 1994, two major international telescopes were developed in South Africa - the Southern African Large Telescope (SALT) and the MeerKAT telescope. The South African SKA Project Office was established in 2003 to bid for hosting the SKA Telescope. In 2017, it merged with HARTRAO to form the South African Radio Astronomy Office (SARAO), responsible for developing radio astronomy. On May 25, 2012, it was announced that South Africa and Australia would co-host the SKA Telescope.

The SKA is a global initiative to host the world's largest radio telescope. SKAO manages the project with eight-member countries, including South Africa. The Mid-Frequency component of the mega-telescope is being built close to Carnarvon in the Northern Cape of South Africa.

Responsiveness of the education and training institutions to external shocks

Operating in a rapidly changing global environment requires new approaches to learning, cutting-edge curricula, and training programmes that can pivot and adapt swiftly to economic disruptions, climate change, and epidemics. This section examines how the country's human capabilities institutions have responded in an agile and timely manner.

COVID-19 has impacted every aspect of schooling, education, and training, affecting performance adversely. While necessary, government interventions to tackle the pandemic had some adverse effects, but they also yielded gains and highlighted the importance of science in responding to social challenges. These disruptions negatively affected the progress made over time, causing positive trajectories to stagnate or decline. Learning loss could become a significant constraint without intensive programmes to catch up. A potentially positive outcome is changes to modes of instruction. The PSET sector had to move quickly to blended learning to cope with COVID-19, highlighting the potential and need to improve blended learning. The DSI and DHET have worked together since 2021 to implement a National Open Learning System (NOLS) that provides online self-directed interactive teaching and learning opportunities.

In response to the digitalisation of the economy and evolving skill demands, and to prepare learners for life after school, the Basic Education sector in South Africa is introducing a Three-Stream model. This model caters to the diverse abilities of South African learners: academic, vocational, and occupational. Implementing this model necessitates significant curriculum shifts and the introduction of new technology-oriented subjects. For instance, key steps include rolling out R-9 Coding and Robotics curriculum and establishing Focus Schools. These initiatives aim to nurture talent across various core disciplines, better-preparing learners for economic participation. One of the recommendations by the Presidential Commission on the Fourth Industrial Revolution (4IR) is investment in human capital development and future industries. Going forward there is a need for DBE and DHET to align their programs to avoid duplication, but allow for effective articulation and pooling of resources.

Text box 5:
SAU virtual science laboratory App

The SAU "Sisanda App Universe" is a virtual science laboratory, the brainchild of a young South African entrepreneur. It harnesses the power of a camera and real-time three-dimensional content, offering Grade 12 learners the chance to experiment and conduct physical science laboratory experiments anywhere and anytime through virtual reality. This app enables students and teachers to experience enhanced learning of science subjects, making it more interactive and increasing learner participation. In collaboration with the KwaZulu-Natal Department of Education - Umhlathuzana Circuit, the technology is being implemented in Ukusa Senior Secondary School and Sikhethuxolo High School in Hammersdale, Durban.

The initiatives include Artificial Intelligence (AI) Centres of Excellence, entrepreneurship training, Information and Communication Technology (ICT) laboratories at Community Learning Centres within TVET colleges, digital learning platforms, and new curricula and learning programmes in robotics and digital skills have been introduced as part of being a responsive sector. The Centres of Specialisation Programme is designed to address the demand for priority trades necessary for the National Infrastructure Plan and to build the capacity of TVET colleges to deliver qualifications in partnership with industry partners. These initiatives are complemented by including training and development components in significant science projects like the Green Hydrogen Roadmap and the Square Kilometre Array telescope.

To meet the rapidly changing economic and scientific needs, requires the strengthening of national Research and Development (R&D) and innovation capacity. To this end the NDP expects the country to increase its Gross Expenditure on Research and Development (GERD) to 1.5% of Gross Domestic Product (GDP) by 2030 and an aspirational GERD/GDP ratio of 2% a decade later. However, GERD as a percentage of GDP at current prices was 0.61% in 2020/21, remaining at the same level as in 1994. Moreover, South Africa's GERD, as a percentage of global GERD, is lagging behind its peer countries, and the business sector's contribution to GERD has been declining, from 53.2% in 2009/10 to 30% in 2020/21. Business-sector expenditure on R&D has been declining over the past decade, with a further decline in 2020/21 (10,8%)[110], this in the long run is jeopardising the comparative advantage in the South African innovation and economy.

Uptake of the South African R&D Tax Incentive, a measure introduced to help attract investment from the private sector into R&D, has been lower than expected. Among the factors contributing to the poor performance are the low R&D expenditures of the companies themselves; the high attrition rate in R&D-active companies; low prevalence, limited persistence and intensity of R&D expenditure among South African manufacturing companies; and companies complain the application process is complicated and slow are some of the reasons that led to low uptake[111]. In implementing the incentive over the next decade, there will be an increased focus on awareness raising and advocacy, better support during the application process and a renewed focus on impact. As a percentage of GDP, direct government funding combined with tax relief for business R&D is low compared to other countries in South Africa.

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[110] National Advisory Council on Innovation (2023)SOUTH AFRICAN SCIENCE, TECHNOLOGY AND INNOVATION INDICATORS REPORT https://www0.sun.ac.za/crest/wp-content/uploads/2023/09/STI-Indicators-2023-Report.pdf

[111] National Treasury, Science and Technology (2021) Discussion Document: Reviewing the design, implementation and impact of South Africa's Research and Development Tax Incentive https://www.treasury.gov.za/comm_media/press/2021/TaxPolicyDiscussion/2021121501%20Discussion%20Document%20-%20Research%20and%20Development%20Tax%20Incentive.pdf

SYNTHESIS REPORT

Figure 39: Charges for the use of intellectual property receipts

	2016	2017	2018	2019	2020	2021
Current $US '000						
Argentina	168 807	15 698	321 051	284 486	209 592	212 632
Brazil	650 834	64 257	825 475	641 114	634 292	705 262
South Africa	139 258	15 784	182 504	150 761	126 359	135 304
Current $US Billion						
Middle Income	4,2	8,7	10,1	11,2	13,6	17,3
South Africa Share of middle income	3,3	1,8	1,8	1,4	0,9	0,8

Source: NACI (2023) SOUTH AFRICAN SCIENCE, TECHNOLOGY & INNOVATION INDICATORS REPORT

Compared with all middle-income countries, South Africa's share of intellectual property receipts has declined significantly and consistently, from 3.3% in 2016 to 0.8% in 2021[112]. Patents are crucial for economic growth as they protect intellectual property, foster innovation, and attract foreign direct investment. South Africa has seen a substantial increase in domestic patents granted to residents, yet this number remains lower than a decade ago. 2011 the country registered 5 296 patents, with 11% attributed to South Africans. By 2021, the number of registered patents decreased to 3 466, of which 9% were by South Africans. More work is needed to fully understand and prevent further decline.

Figure 40: International ranking of South African universities

A total of 41 African universities are featured in the QS World University Rankings® 2024, with the majority located in either Egypt (15) or South Africa (11).

Africa rank	Global rank	University	Location
1	173	University of Cape Town	South Africa
2	264	University of The Witwatersrand	South Africa
3	283	Stellenbosch University	South Africa
4	306	University of Johannesburg	South Africa
5	323	University of Pretoria	South Africa
6	371	Cairo University	Egypt
7	415	The American University in Cairo	Egypt
8	621-630	University of Kwazulu-Natal	South Africa
9	721-730	Ain Shams University	Egypt
10	801-850	North-West University	South Africa

Source: https://www.topuniversities.com/university-rankings-articles/world-university-rankings/top-universities-africa

New alternative initiatives are essential to tackle the challenge of large-scale youth unemployment, which reached 62% among 15-24-year-olds in 2023. Apart from universities, the PSET system appears to be less successful in providing offerings that are valued by individuals and the labour market. For instance, over several years, Community Education and Training (CET) colleges have failed to meet their target of training 21,452 individuals Not in Employment, Education, or Training (NEET), achieving only 7% of this goal in 2021. Reports indicate that school leavers, especially those who did not complete Grade 12, struggle with the technical requirements of the National Certificate (Vocational) (NC(V)) at Technical and Vocational Education and Training (TVET) colleges. Everything points to the importance of having an effective quality Foundation Phase as a precondition to dealing with the challenges of building skills needed by youth.

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[112] National Advisory Council on Innovation (2023)SOUTH AFRICAN SCIENCE, TECHNOLOGY AND INNOVATION INDICATORS REPORT https://www0.sun.ac.za/crest/wp-content/uploads/2023/09/STI-Indicators-2023-Report.pdf

The National Skills Fund (NSF) has allocated R200 million to support TVET colleges in a mass skilling initiative. This is part of the efforts to address the increasing number of young people in the Not in Employment, Education, or Training (NEET) category to gain skills. In addition, the Department of Basic Education through the Presidential Youth Employment Initiative (PYEI) has contributed to creating opportunities for employment and exposure for young people. These opportunities include roles as curriculum assistants, supporting teachers, integrating Information and Communication Technology (ICT) in classrooms, and other support and enrichment activities Through this successful initiative young people were also given the

LESSONS TOWARDS VISION 2030

Remarkable progress has been made in providing universal access to basic education and expanding access to post-school and skills development opportunities. Further emphasis must be placed on improving the quality of educational outcomes by increasing the pace of improvement and addressing the economy's and society's current and future needs. Specific South African strengths in technological domains must be channelled more intensely towards supporting industrialisation, improving service delivery, and advancing societal outcomes.

- It is crucial to establish an institutional architecture that enables education to concentrate on its core functions, leading to enhanced educational outcomes. This entails defining roles to be played by other sectors in supporting education, such as scholar transport, infrastructure development, and ICT standards and more. Enhanced coordination in these areas will eliminate unnecessary duplication and the wastage of resources.

- Expanding upon the successful migration of Early Childhood Development (ECD) from the Department of Social Development (DSD) to the Department of Basic Education (DBE), there is a need to emphasise delivering quality throughout the entire ECD value chain, aimed at preparing children adequately in terms of their motor, visual, and cognitive dimensions to ensure their readiness for school as identified by Thrive by Five initiative.

- Re-launch SA's national assessment process (Systematic Evaluation). The National Systematic Evaluation that is without the pitfall of the previous assessment needs to be fully implemented and the information it generates needs to be used to improve school performance along with information generated by international assessments. The improved National Systemic Evaluation complemented by international assessments will assist in establishing national and provincial trends so that interventions are data-informed in their planning.

- Quality of education. Focus on enhancing quality of education and efficiency across the entire education value chain, building on successful monitoring models such as ECD "Thrive by Five"; making sure leaners are motor, visual, and cognitively prepared for school; at basic education, intensifying mathematics teaching interventions across all grades with greater emphasis on the foundation phase, teacher guidance during curriculum changes, learner access to national workbooks and textbooks, assessment practices in earlier grades, minimum qualifications for new teachers, Grade 1 access to organised learning environments.

- Implementation of a revised National Reading and Writing Strategy. Complete the revision of the National Reading and Writing Strategy with adequate teacher support and appropriately graded reading material in all languages.

- Implement strategies to enhance the teaching of mathematics in all grade levels, with an emphasis on the Foundation phase.

- Expand production of artisans to address current and future needs. Expand production of artisans, including by SOEs, to address current and future needs and achieve the NDP target of 30,000 per year.

- Update the National Skills Development Strategy and its implementation to address current and future needs and equity. To support this, prioritise vocational subjects in demand by the economy; expand TVET sector centres of specialisation; reform the Sector Education and Training Authority (SETA) system to partner with business and State-Owned Companies (SOCs) to expand skills development; merge SETAs into fewer, more streamlined entities to enhance their efficacy.

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113 KZN Provincial Education Department, 2022. Floods report

- Prioritise vocational subjects that are in demand by the economy and conduct tracer studies on labour absorption rates to better respond to labour market needs. This should include implementing targeted interventions to enhance the absorption and retention of South Africans trained in critical skills areas, such as the health sector, engineering, and sciences.

- Higher education student funding. In the PSET sector, build on gains of made by NFSAS and implement a comprehensive student funding model which covers the 'missing middle' and is financially sustainable.

- Prioritise vocational subjects that are in demand by the economy and conduct tracer studies on labour absorption rates to better prepare youth for post-school life

- Expansion of the education sector. Develop and implement a medium-to-long term plan for the expansion of the education sector at all levels to adequately cater for the growing population. This, in essence, means broadening programs that offer innovation in infrastructure development, taking advantage of MOOCS, improving TVET college efficiency and quality while improving on Community College sector offerings.

CHAPTER 6:

NATION-BUILDING AND SOCIAL COHESION

This chapter examines the government's efforts for nation-building and social cohesion over the three decades. It uses the pillars identified in Chapter 15 of the NDP (Transforming Society and Uniting the Country) as the framework to assess progress thus far.

Nation-building and social cohesion are intertwined and are all about creating an overarching national identity, building a unitary state, fostering inclusion and enhancing the propensity for cooperation between and among the society and state actors.[114] Social cohesion, arguably, is mainly about (i) embracing and celebrating what peoples have in common rather than their differences, (ii) social justice and social capital, and (iii) minimising disparities in income, wealth, interpersonal and intergroup trust. Nation-building, on the other hand, refers to the process where diverse peoples in terms of language, faiths, cultures, etc., unite within the boundaries of South Africa under one common overarching national identity and embark on processes of (i) legitimising public power, (ii) redress, and (iii) transforming people's lives.

The democratic government inherited a highly polarised country with multiple administrations and identities, extreme poverty and severe inequality, a deeply fractured state and society, and a wounded nation with a long history of racial and institutionalised racism that left the majority economically destitute. The country also had a record of state-sponsored violence and human rights violations, with the broad population lacking access to basic services and social support from the government. Furthermore, the democratic government inherited legislation that rendered Blacks (including Africans, Coloureds, and Indians) non-citizens in South Africa. These laws affected Africans disproportionately compared to other groups. The unintended consequence of the repressive system was unity among communities. Solidarity was forged through a common goal of dismantling the repressive system. What remained, however, was the overarching legacy of a fractured state and society that required massive socioeconomic redress, reconstruction and development.

OVERRIDING NATIONAL ASPIRATIONS

A democratic state and society

The RDP became the cornerstone for formalising policy and legislative framework and integrating and coordinating government to pursue its objectives.[115] Among the objectives were to democratise the state and the society and to mobilise all of society in implementing the RDP. The RDP recognised that building a new nation required a focus on redress, reducing poverty and inequalities, social divisions and exclusions, active citizenry, and promoting gender equity. It required women's full and equal role in every aspect of the economy and society and empowering young people to unlock their full potential.

A non-racial, non-sexist, prosperous nation unified by its diversity

The constitution premised the democratic South Africa on the values of unity, inclusion, representation and consultation, equality, justice, consensus building and a guarantee of political and socioeconomic rights. The constitution enjoins the state to adopt an accountable, responsive and open democratic system based on the will of the people. The constitution represents the collective wisdom of the South Africans, with the Preamble that encapsulates the dreams and aspirations of South Africa. The constitution affirmed the fundamental values and principles of coexistence, that South Africa belongs to its people and that government authority must be based on the will of the people.

RDP of the Soul – A Caring Society

Alongside the RDP was the Masakhane Project, which aimed to create conditions for stabilising the socio-political and economic situation for the RDP through active citizenry and civic responsibility among South Africans. Conceptually, Masakhane was meant to encourage active citizenry and participation in the new system of governance, promoting social compacting between government, civil society and communities.

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[114] Following the adoption of the 1993 Interim Constitution, South Africa became a unitary state with federal tendencies and specific governance arrangements, based on a system of co-operative governance (https://www.oecd.org/regional/regional-policy/profile-South-Africa.pdf downloaded 30.11.2023)

[115] Government Gazette. 1994. Notice No. 1954 of 1994. White Paper on Reconstruction and Development Programme. https://www.gov.za/sites/default/files/governmentgazetteid16085.pdf

The Moral Regeneration Movement project championed by President Mandela in the 1st administration of the Republic as a values project for a concomitant social development programme famously coined as the "RDP of the soul" became a flagship alongside the healing process. This was recognising the lingering effects of colonialism and apartheid's endemic culture of violence, alongside the erosion of the moral fabric of society. There was also recognition that moral regeneration cannot be wholly owned by the government as it would have to rely more on the collective effort of other role players in society. Reduction of social ills such as teenage pregnancy, alcohol and drug abuse, rampant crime, and corruption, would be key outcomes of the moral regeneration project.

The National Development Plan – a prosperous, egalitarian society

The NDP put emphasis on nation building and its importance in inculcating a feeling of belonging, accountability and responsible behaviour and a society in which respects various cultures and guarantees equal citizenship for all. Such a society would facilitate healing by enabling history to be rewritten and ensuring higher levels of consciousness of the heritage of black South Africans; and promote building of trust.

To this effect, the NDP (2012) identifies five pillars for social cohesion and nation-building, which are:

- Pillar 1: Fostering the knowledge of the constitution and its values as focal objects of collective loyalties such that traditional elements of identity become irrelevant; a constitution that provides for normative values that allow for ease of life lived side by side.

- Pillar 2: Promoting healing, equal opportunities, inclusion and redress. Addressing the inequity of opportunities and correcting the imbalances of the past.

- Pillar 3: Promoting social cohesion through increased interaction across space and class, enabling the discovery of common humanity.

- Pillar 4: Promoting active citizenry and leadership through the participation of ordinary people in the country's civil affairs.

- Pillar 5: Fostering social compacts for partnerships with civil society, the private sector and citizens for a more democratic, equal and prosperous society/ laying the basis for inclusion, equity and prosperity for all.

LEGISLATION, KEY POLICIES AND PROGRAMMES

State formation

The nation-building project for identity formation called for establishing one common voters roll, New National Symbols, as markers of a country's national sovereignty and are collectively used as rallying points for national unity, cohesion and pride. The South African Flag, Anthem, National and Provincial Coats of Arms were the first to be transformed. A set of six new national orders were introduced, with symbolism reflecting African and indigenous influences.

The government reimagined national days to recreate national memories and enhance the democratic State of South Africa. For example, March 21st, the day commemorating the Sharpeville massacre, was renamed Human Rights Day.

Various administrations and security forces, including those of homelands, were merged into one.

Numerous laws were repealed, beginning as early as 1991 with the repeal of the Population Registration Act of 1950, The Group Areas Act, the Land Act, and the Separate Amenities Act. New laws such as the 1998 Domestic Violence Act, the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (PEPUDA or the Equality Act, Act No. 4 of 2000), and the 2007 Criminal Law (Sexual Offences and Related Matters) Amendment Act were enacted as per the new constitution. Institutions that supported and defended democracy in terms of Section 9 and Section 10 of the Constitution were established, namely the Human Rights Commission, Public Protector, Auditor-General; Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, and Commission on Gender Equality. Other pieces of legislation included. Additionally, as South Africa evolved into a dynamic democracy, it emerged as a significant player in international relations and treaties, notably joining the Southern African Development Community (SADC) and the African Union (AU). This involvement led to embracing key global

objectives encapsulated in the Sustainable Development Goals (SDGs) and the African Union's Agenda 2063. Since 1994, South Africa has leveraged its distinctive cultural facets and experiences to champion the promotion of human rights as outlined in the Universal Declaration of Human Rights, as well as inclusion and transformation in global governance, thereby asserting its sovereign status in the international community. In line with global trends, South Africa engaged in the use of cultural expressions, artistic creation, and a thriving creative industry. The country's reintegration of arts and culture into the international arena marks a substantial transformation and development achievement, showcasing its commitment to enhancing its domestic cultural landscape and contributing to the global cultural fabric.

Since 1994, the country has used its unique cultural aspects and experience to promote the importance of human rights as articulated in the Universal Declaration of Human Rights. The inclusion and transformation of global governance have made strides in occupying its rightful place as a sovereign state in the family of nations. Like many other countries, South Africa joined the international cultural community through cultural expression, artistic creation, and a booming creative industry. The reintegration of the arts and culture into the global space was one of the enormous transformations and development strides made.

Sport became a powerful weapon to heal racial divisions and smooth the way for South Africa's entry into the community of nations. With the Truth and Reconciliation, Sport began to heal racial divisions and became a unifying force, as evidenced when South Africa hosted the Rugby World Cup in 1995, despite the persistent inequalities of opportunities and outcomes. This was followed by the 2007, 2019 and 2023 Rugby World Cup victories, Bafana Bafana 1996 African Cup of Nation and many other sporting achievements across all codes. Of note is that the current national teams are progressively moving towards a racially diverse composition.

Reconciliation and healing

In its inaugural term, the government initiated a process of peace and reconciliation by establishing the Truth and Reconciliation Commission (TRC) through the Promotion of National Unity and Reconciliation Act 34 of 1995. The TRC was instrumental in facilitating public acknowledgement of the atrocities committed in the past, playing a pivotal role in the nation's reflection on acts of violence perpetrated by both the state and liberation movements. It provided a framework for healing the wound of those that were violated and making peace with the past. The TRC's report in 1998 outlined recommendations for interventions ranging from economic compensation on a societal level to individual reparations to support victims and survivors of gross human rights abuses. It also recommended amnesty for those guilty of gross human rights violations, alongside prosecutions for those denied amnesty. Moreover, the report proposed measures for the government to prevent future systematic human rights violations. Despite the significance of these recommendations, their full implementation remains outstanding, underscoring the ongoing journey towards fully realising the objectives of national unity, reconciliation, and justice in South Africa.

The reconciliation process has stagnated, and fragmentation persists, largely as a result of divisive social and political narratives. Furthermore, is that this hurtful history has still not emerged, not only between whites and blacks, but also in the manner in which the process is and was observed and understood[116]. Regulations on housing, health and community rehabilitation reparations are yet to be finalised to enable access by the TRC victims, their dependants and relatives as per the TRC recommendations. As a result, this remains one of the unfinished projects in terms of implementing the recommendations and thus, the South African society remains a wounded nation and has some form of disappointment with the TRC's efficacy. The deep rooted structural socio-economic inequalities as one of the main impediments to the reconciliation process continue to be further exacerbated by gender disparities, race and class. South Africans consider poverty and inequality, racism and corruption to be the biggest barriers to reconciliation and social cohesion[117].

One of the critical national technical frameworks to address the persistent challenges of racism by adopting an inter-sectional approach is the National Action Plan to Combat Racism, Racial Discrimination, Xenophobia and Related Intolerances (NAP) under the custodianship of the Department of Justice and Constitutional Development.

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[116] Presidency. Macro-Social Report. 2022.
[117] Institute for Justice and Reconciliation. South African Reconciliation Barometer Report.2023.

Redress on economic, space, arts, cultural and heritage matters

Economic redress was enabled through legislation and policies such as Land reform policy and legislation (Land Restitution Act of 1994, Land Reform Act 3 of 1996, Extension of Security of Tenure Act of 1997, etc.), Broad-Based Economic Empowerment Act of 2003 and Employment Equity Act of 1998 and the 1996 South African Schools Act which ushered a new approach for admission to schools for all learners.

South Africa adopted a human rights-based approach to development, with a focus on the obligation of the state to establish the necessary legislative and administrative mechanisms that give effect to several international frameworks for promoting human dignity, equality and freedom, which, among others, include: International Covenant on Civil and Political Rights (ICCPR); International Covenant on Economic, Social and Cultural Rights (ICESCR); International Convention on the Elimination of all forms of Racial Discrimination (CERD); International Convention on the Elimination of all forms of Discrimination Against Women (CEDAW); Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (CAT); Convention on the Rights of the Child (CRC); International Convention on the Protection of the Rights of all Migrant Workers and Members of their families (MWC). The constitution, the supreme law of the Republic of South Africa, provides the legal foundation for the nation's existence; it sets out the rights and duties of citizens and defines the structure of an inclusive democratic government.

South Africa has established a robust foundation of institutions supporting democracy, including Parliament, Provincial Legislatures, and Municipal Councils, alongside independent bodies to enhance oversight and accountability. For instance, the Pan South African Language Board, created under Act 59 of 1995, aims to promote multilingualism, develop the 11 official languages, and protect language rights within the country. The Employment Equity Act (EEA), No. 55 of 1998, seeks to achieve workplace equity by promoting equal opportunity and fair treatment by eliminating unfair discrimination and implementing affirmative action measures. This act mandates the Commission of Employment Equity (CEE) to monitor and report on the progress of employment equity across South Africa.

Other key institutions include the Human Rights Commission, Public Protector, Auditor-General, Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities, and the Commission on Gender Equality. These organisations play critical roles in upholding democracy, ensuring accountability, and protecting the rights and freedoms of all South Africans. The rapid expansion of access to basic services and the promulgating of the Free Essential Services Policy in 2001 have helped reduce inequality of opportunity.

Numerous policies and legislative frameworks were passed to transform space. These include the 2003 National Spatial Development Perspective, the Integrated Urban Development Framework (IUDF) of 2016, which sets out the policy framework for transforming and restructuring South Africa's urban spaces, and the Spatial Planning and Land Use Management Act 16 of 2013, which provides a framework for spatial planning and land use management.

The Arts, Culture, and Heritage White Paper, alongside the Cultural Industries Growth Strategy 1998, identified four sub-sectors within the creative industry for development: Craft, Film, Music, and Publishing. This strategic focus aimed to ensure universal access to arts, culture, and heritage resources, facilities, and opportunities. In 1995, establishing the Independent Broadcasting Authority (IBA), enacted through the Broadcasting Act 1999, marked a significant step forward. This legislation defined the mandate of the South African Broadcasting Corporation (SABC) as an entity independent of the state, ensuring adequate funding and the inclusion of previously marginalised languages and local content.

Various policies and legislations have also been implemented to drive the transformation, development, and promotion of sports. These include the National Sports and Recreation Act, the South African Boxing Act, and initiatives to facilitate and host international sports and recreation events. These measures collectively contribute to the broader agenda of promoting cultural diversity, inclusion, and development within South Africa's dynamic social landscape.

Rural spaces under traditional leadership

To democratise traditional leadership, the constitution underscores potential roles for traditional leadership in the local sphere, and significant legislation and policy, including the White Paper on Local Government, were developed to address the ambiguity in the relationship between traditional leadership and elected

rural local governments. The spirit of cooperative relations was entrenched in the Municipal Structures Act of 1998 and the Municipal Systems Act of 2000, ensuring the participation of traditional leadership in local governance, planning and development. Once the recognition of Khoi-San leaders is finalised to give effect to the provisions of the 2019 Traditional and Khoi-San Leaders Act, Khoi-San leaders will also form part of Traditional Houses. A notable feature in this legislation is the mandatory inclusion of women, constituting at least a third of traditional leadership councils and Houses of Traditional Leaders.

MAJOR MILESTONES AND ACHIEVEMENTS

South Africa has made strides in redressing some of the past's inequities and creating a future with widened opportunities. However, more needs to be done. The reflection over the past 30 years embraces not only the overcoming of the challenging social transition. The nation-building project has resulted in a country that has created its own nation brand and value system. There is an acknowledgement and celebration of its diverse cultural identity and, to a large extent, a socially cohesive society with one common identity.

Knowledge and understanding of the Constitution

The constitution is the founding document of the Republic of South Africa. It becomes necessary, therefore, to foster the knowledge of the constitution and its values as focal objects of collective loyalties such that traditional elements of identity become irrelevant. A 2018 survey by the Foundation for Human Rights (FHR) showed some varied improvements in the level of awareness of the constitution across sex, rage, and age cohorts, which generally increased from 47% in 2011 to 51% in 2018. These findings served as a baseline for government and stakeholders to develop appropriate strategic interventions enabling marginalised and vulnerable groups to realise their socioeconomic rights. A further improvement is noted in the Governance, Public Safety, and Justice Survey (GPSJS) 2021/22 on the awareness and perception of the RSA Constitution and Democracy. The results showed that about 82,6% of those aged 16 years and older have heard about the constitution, which is an improvement compared to the 2018 FHR survey on the level of awareness of the constitution. A total of 70.7% think the constitution protects their rights, and 48.0% think the constitution protects the rights of others more than theirs.

South Africans increasingly believe in the possibility and desirability of creating a united nation over time. Public consensus on the aspiration for unity has remained high, with approval rising to 76% in 2023. Moreover, support for the concept of forging a united nation has also grown, climbing from 61% in 2007 to 75% in 2023. Significantly, there is a positive trend towards establishing a single, overarching identity for South Africa, a nation united in diversity. Regarding self-identification, most South Africans prioritise their identity as South Africans and Africans over affiliations with specific racial or language groups.

Despite solid associations with group identities, these have not hindered the deep affinity and support for a South African national identity. In 2023, 87% of black South Africans affirmed that being South African is essential to their self-perception, marking the highest rate observed since 2015[118].

The BrandSA Domestic Perceptions Study, covering 25% of the South African population aged 16 and older, revealed that national pride peaked in 2010/11, with 90% expressing pride in being South African. Sports achievements, both locally and internationally, continue to inspire significant pride. Sport remains a cornerstone for nation-building, socioeconomic development, and healing racial divisions while paving the way for South Africa's integration into the global community. South Africans maintain a strong sense of national pride, and the country is beginning to establish its unique brand. National pride, fuelled by being South African, encompasses values such as Ubuntu, a celebration of diversity, innovative potential, boundless possibilities, and unparalleled uniqueness. This sentiment represents the most profound expression of national pride identified in the BrandSA Domestic Perceptions Study, reflecting the views of over 10 million South Africans aged 16 and older. The country's beautiful natural landscapes, diverse cultures and languages, and world-renowned places of interest add to its appeal, attracting many who wish to visit (2023 State of the Nation Brand – Brand SA).

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[118] IJR.2023. South African Reconciliation Barometer Report. (P35)

Redress of inequalities of opportunities

Redress is about bringing back the dignity of erstwhile marginalised persons and communities. Notable progress has been made since 1994 in facilitating access to basic services such as electricity, water, sanitation, subsidised housing, education and health care and by extension a reduction in inequality of opportunity. Poverty, including multidimensional poverty, has declined since 1994, attributable to improved access to basic services, the provision of over 4 million houses, and the expansion of social wages[119]. The 2023 Socioeconomic Survey of South Africa also affirms this improvement in access to services, particularly to previously marginalised households and those living in informal dwellings, which has improved compared to the 1995 October Household survey. The populace also perceives their lot as having improved since 1994. A level of unhappiness was noted with regard to the economic situation and unemployment opportunities in South Africa, which were perceived as worsening. The proportion of adults pointing to the worsening economic circumstances was similar across races and geographic areas.[120]

Figure 41: Perceived change of circumstances from 1994 by households
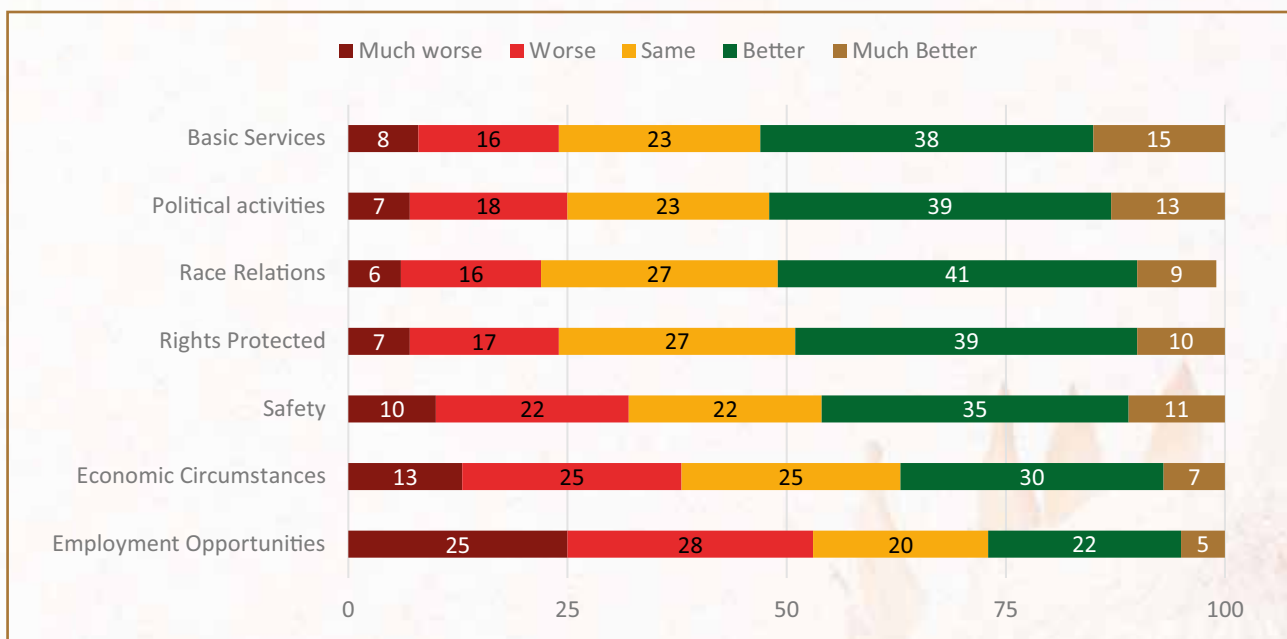
SEJA Report. 2018. Foundation for Human Rights. Perceived change from 1994

The inequality gap remains even though various interventions exist to bring about equity. Section 9(2) of the Constitution provides employment equity and affirmative action to address disparities in labour market opportunities. Employment equity is a moral and human rights imperative and a pre-condition for development and global competitiveness. The CEE 2023 socioeconomic survey, comparing progress between 2001 and 2021, shows improvement in the employment equity occupational levels for Blacks (6.0% to 17.0% top management) and 9.0% to 25.6% (senior management). This is an improvement, but it is below the desired levels as dictated by the Economically Active Population (EAP) target. Improvements in the professionally qualified from 33.0% to 46.9% is a move towards achieving the target, whilst the technically skilled have successfully reached their EAP target. The Employment Equity Amendment Act 4 of 2022 was assented to in April 2023. The amendments empower the Employment and Labour Minister to set sector-specific employment equity numerical targets in consultation with stakeholders.

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[119]   World Bank 2018. Overcoming poverty and Inequality in South Africa. An Assessment of drivers, constraints and opportunities. World Bank
[120]   Socio-economic Justice for All Programme (SEJA). 2018. Foundation for Human Rights

The Broad-Based Black Economic Empowerment (BBBEE) is another piece of legislation and commitment to implementing redress mechanisms, that is, to ensure that those excluded from the economic mainstream are brought in as part of the government's broader redress agenda. Similar to the EEA, it is most apparent that this strategy on redress has not had the optimal effects over the 30 years into the democracy. For example, according to the BBBEE Report of 2020, it was revealed that half of the companies listed on the JSE had less than 25% black ownership and that only 2% are 100% black-owned[121].

South Africa recognises and protects 11 official languages under its constitution, with the Khoi and San languages also receiving attention for development. A significant milestone occurred in July 2023, including signing language becoming the 12th official language. This development led to the amendment of Section 6 of the Constitution of the Republic of South Africa, incorporating South African Sign Language (SASL) as an official language. This amendment promotes the rights of individuals who are deaf and hard of hearing, marking a significant step forward in inclusivity and rights protection.

Cultural and creative industries have grown, and heritage legacy projects have been implemented to transform the national landscape. Almost all theatres, once white only, have been transformed and show inclusive artworks. The government has adopted the African Liberation Heritage Programme (ALHP) to develop new monuments and sites to preserve, protect and promote our heritage. However, despite these notable milestones, cultural and heritage redress is slowly plagued by vandalisation and poor maintenance and management of heritage sites.

Interactions across race, space, and class

Sharing common space promotes reconciliation and enables people separated for decades to learn to know and appreciate each other's humanity. Intimated nonetheless in the quest to open up spaces is the view that spatial proximity necessarily leads to increased social interaction across race, class, culture, and other areas of difference.

Interracial interaction is also improving but differs significantly in private versus public spaces. Only 36.1% of South Africans report that they rarely or never interact with people from other race groups in commercial spaces, and 39.4% report the same for work and study places[122].

Key initiatives included commemorating the national days on an intercultural basis, fully inclusive of all South Africans. Emphasis continues on the need to strengthen unity amongst the individuals and promote participation and the recognition of sacrifices that gave birth to democratic South Africa by observing each of these national days as declared. The media, through programming on television and radio, working with government and other stakeholders, has been very active in promoting these interactions through awareness campaigns and community conversations and dialogues as part of advocacy platforms. The evaluation of the National Days Programme is in progress, and it is anticipated that the evaluation findings will influence improvement in planning for the commemorations for the next MTSF.

Since 1994, when South Africa emerged as a global player, the country has utilised its unique cultural attributes to forge and strengthen international cultural relations, thereby enhancing its global image and perception. South Africa's participation in the African Union Sports Council (AUSC Region 5) has enabled it to play a pivotal role in advancing and developing sporting initiatives within the SADC region. This engagement has opened avenues for promoting an active nation through various campaigns and participation in sports and recreation. Efforts have focused on transforming, democratising, streamlining, and integrating sports structures and codes while embracing non-racialism in sports. To modernise sports and expand access to safe public recreational spaces, authorities are constructing facilities in townships and rural areas for everyone's use. The White Paper on Sports and Recreation highlights sports' contribution to the economy, the promotion of human rights, and environmental sustainability. A hallmark of democracy has been hosting international events, ranging from sports competitions to global conferences. Sports has been a great asset and the unifying factor of the South African nation, as affirmed by the first democratic president, Nelson Mandela: *"Sport has the power to change the world. It has the power to inspire. It has the power to unite people in a way that little else does".*

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122 IJR 2017, South African Reconciliation Barometer survey.

The South African sports industry has made a considerable contribution to the nation's economy through the positive impact of sport on the economy, notably through tourism and attracting investors, along with infrastructure development, which benefits the country by enabling it to host international events. Annually, South Africa spends an estimated R3 billion on sports-related expenses, with the sector expected to boost the economy by about R50 billion annually. The employment of over half a million people in the sports sector significantly improves lives and addresses the challenge of unemployment. Despite certain obstacles, sports federations have made considerable efforts to develop sports and capacity-building programmes. A strong network of stakeholders, including athletes, coaches, administrators, sponsors, and the media, supports the industry. With adequate support and investment, the South African sports industry can continue its growth and contribute further to the country's economic development. The sector's strength lies in the opportunity to develop new sport-related products and services through digital technology, expand existing businesses to meet increasing demand, and to build new sports infrastructure. Although the sports sector has made a remarkable transformation, many codes still progress slowly, especially in advancing women in sports.

Cultural, heritage and creative industries: South Africa ratified the Charter for African Cultural Renaissance in May 2014 to achieve cultural, scientific, and economic renewal. It collaborated with the African Union to encourage other African countries to speed up their ratification processes. Pronounced policies and strategies have enabled many practitioners and organisations in the sector to flourish. Infrastructure has also been developed for practitioners to have dedicated space to acquire skills, showcase their work and derive income. Establishing the South African Cultural Observatory (SACO) in 2015 has ensured the provision of cultural statistics, explicating the sector as the epicentre of economic growth and job creation. Using the rebased 2015 GDP data released by StatsSA in 2021, a Cultural Satellite Account showed that the Cultural and Creative Industry (CCI) directly contributed 2.97% of South Africa's GDP in 2020, approximately the same size as agriculture[123]. The CCI generally grew faster in 2017 than the South African economy overall. Infrastructure has been developed for practitioners to have dedicated space to acquire skills, showcase their work and derive income. Among others are the Nelson Mandela Bay Theatre Complex and the Guild Theatre, which have been declared as new cultural institutions in addition to what already existed. There are two further theatres in the process of being declared as cultural institutions, one in Polokwane and the other in Secunda, meaning that all provinces are represented. The sector also appears to have made progress in transforming and realising its employment equity targets. However, there is still a lot of ground to be covered about the distribution of this greater participation by women, youth and artists with disabilities. At least 2.3% of employed people in South Africa were identified as being employed in cultural occupations in 2019. The largest domain in terms of artistic occupations in 2019 continues to be Visual Arts and Crafts (44.5%), followed by Intangible Cultural Heritage (22.5%), Design and Creative Services (13.4%) and Books and Press (12.4%).

Active citizenry and leadership

The Integrated Development Planning (IDP) processes for local government and the Ward committees as an institutionalised channel of communication and interaction between communities and municipalities has been one of the hallmarks of democracy to encourage participation and representation of various interests within communities. The ward committee system is vital in giving meaning to "the people shall govern". This is because local local government is the level closest to the people, and ward committees are just one way to ensure that citizens give input to local councils' decisions and influence the planning process. Promoting participation in local government is further propelled by GovChat, a social media platform for community engagement championed by the Department of Cooperative Governance (DCOG) and accessible countrywide. The platform is also used for responsible citizenry and campaigns. This includes, among others, election awareness campaigns and GBVF, which is a feature launched in 2021.

Promoting active citizenry and leadership through the participation of ordinary people in the country's civil affairs is meant to promote transparency, accountability and responsive civil service, and this contestation in politics is crucial for addressing high-level issues such as corruption. The NDP advocates for effective government, active citizenry and leadership as a paradigm shift for nation-building and a cohesive society. Active citizenry is propelled by trust in institutions, and good governance enables citizens to have a voice and foster government accountability. The quality of active citizenship is gauged through two key facets: individual engagement and the practice of political, social, and civil rights in alignment with democratic principles.

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[123] South African Cultural Observatory 2022. The Economic Mapping of the Cultural and Creative Industries in South Africa: Report Results and Implications

The strength and voice of civil society has been demonstrated many times, such as the Treatment Action Campaign (TAC) advocating for medical treatment for HIV/AIDS, the call to appoint a commission of inquiry into the Marikana Massacre, the multifaceted campaign that applied pressure on UK-based firm Bell Pottinger. e-tolls; #RhodesMustFall, #FeesMustFall, and #TotalShutDown for GBVF.

The Independent Electoral Commission (IEC) continues leading civic and democracy education campaigns to improve election participation. Election participation is an expression of democracy at work and was high in the early years of democracy. However, the percentage of eligible voters who cast their votes in national and local government elections has decreased over the years. The 2021 Local Government Elections (LGE) experienced the lowest voter registration at 65.7%, down from 72.7% in 2016. The percentage of the registered voting-age population who voted in the LGE decreased from 58% in 2016 to 46.8% in 2021. A Voter Participation Survey found that a large proportion of youth did not vote in the 2018 and 2021 elections, and many of these youth cited political disinterest.[124]

Trust and the democratic institutions

Trust in government is a foundation upon which the legitimacy and sustainability of political systems are built. It is an important and independent predictor of support for government policies and is considered more important than partisanship and/or ideological congruence. South Africa has undergone democratisation and radical social transformation in the past three decades. However, the country is still plagued by problems of political instability, official malfeasance and weak administration, threatened by deep-rooted corruption as evidenced by the State Capture Commission. This is further compounded by a highly politicised environment driven by self-interest. The competence of government to deliver services at the level, quality and expectation of citizens is the foundation of a capable state. Accountability, transparency, integrity, fairness and commitment towards developmental outcomes combine to strengthen trust among citizens and by citizens in institutions. Trust is thus both a process and a result of government performance. Rising corruption perceptions are associated with lower GDP growth levels and lower levels of trust.

Social Compacts

The social compact was meant to be an overarching mechanism through which various sectors in society contract, with and among each other, on specific areas of deliverable about which they are to be held accountable. The constitution, the RDP and the NDP foreground social compacts as paramount for transformation. The National Economic Development and Labour Council (NEDLAC) is one of the critical institutions in the democratic South Africa which seeks to entrench participatory democracy. Civil Society Organisations (CSOs) have played a key role in contributing to relief measures and humanitarian aid to victims of hunger and other natural catastrophes, as well as wars and other forms of warfare. Numerous welfare organisations operate locally and have special responsibilities to care for children, the elderly, or persons with disabilities. Many CSOs have also prioritised political education to build an active citizenry.

National disasters and the COVID-19 pandemic have enhanced the collaboration of the state and non-state actors. Government and NGOs stood together to fight HIV/ AIDS and the recent pandemic; the country united again by mobilising health resources, solidarity support from businesses, and expertise from the academic and research sectors.

Another compact between CSOs, NGOs and the private sector with the government focuses on dealing with the scourge of GBVF, which continues to be the "second pandemic", threatening the freedom and safety of women and children. Given the urgency of the matter and the widely accepted reality that government alone cannot achieve the kind of society envisioned in the NDP and the preamble of the constitution, social compacting should be one of the primary tasks to tackle crucial challenges of poverty, unemployment and inequality. This is crucial also for crucial matters that don't fall within government's full control and require championing by civil society and citizen participation.

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[124] Human Sciences Research Council (HSRC) 2022. Democracy's Dividend Results from the Voter Participation Survey (VPS) 2021.

LESSONS TOWARDS VISION 2030

The 2022/23 Domestic Perception Research Programme on positive aspects of South Africa shows optimism on a country that is developing with opportunities, nature and natural beauty (11%), governed by a democratic system (9%), freedom (8%) and cultural diversity (7%) together with the relief measures on education (14%), social security (13%) and health care (6%). These are positive attributes that are also recognised by international audiences, a valuable endorsement of the sentiments of the country, and a stronger foundation of evidence as to why South Africa is still an excellent place to live.

A set of **priority areas** emerge from this review, which can improve social cohesion in South Africa:

- Leaders at all levels must practice ethical leadership. This will boost trust levels in leadership and institutions, counter cynicism around the political process, increase civic interest, participation and accountability and improve governance and quality of service delivery.

- **Accelerate healing and redress:** spatial redress, economic redress, language redress, cultural redress, thus righting the wrongs of the past which systematically and purposefully restricted the opportunities available to the majority of South Africans, created spatial poverty traps and had restricted the majority from meaningful participation in the economy. There must be a focus on addressing the material disparities in communities and decreasing socioeconomic inequality.

- Foster **meaningful dialogue** to address complex issues effectively through engagement, deliberation and civic action.

- **Increase competitiveness** in the cultural and creative industry that should be consolidated and restructured to integrate the tourism, sports, arts and culture value chains, with incentives to encourage private investment in start-ups and new ventures.

- Strengthen implementation of **traditional affairs legislation**, partnerships and working relationships between government and the institution of traditional leadership.

Enhanced machinery of government is required to achieve these new priorities:

- A growing economy, anchored by an activist state, with an approach improves education, realises a quality social wage, improves infrastructure development and recognises historical disadvantage.

- The institutions of inter-faith and traditional leadership in South Africa continue to be embraced by Africans, with the rural population accounting for approximately 32% of citizens. This presents an opportunity for the government to partner with these institutions to improve service delivery within rural municipalities and to achieve the government's priority of an inclusive rural economy.

- E-Government Services and technology must drive business process automation to improve service delivery efficiency.

- Consideration should be given to coordinating the Nation Building and Social cohesion programmes from the Presidency, as recommended by the NDP 10-year review. Similar arrangements can be considered at the provincial level, coordinated by Offices of the Premiers.

Most significantly, **a paradigm shift that promotes social cohesion and nation-building is required** to foster development. We must build intentional linkages between institutional, social and economic reforms. An integrated development model must be enacted, which acknowledges the roles and responsibilities of various actors, at the centre of which is strong leadership, an effective government, and an active citizenry. Effective governance is of great importance. The failure to implement good governance has profound immediate implications but typically translates into long-term consequences that are difficult, if not impossible, to mitigate and reverse. Efficient systems to measure progress are essential, but so are identifying what can be done to take corrective action when we are not on the right track. To realise the objectives and vision of the NDP as the overarching development framework for South Africa, a recommitment to mutual interest and a social compact is necessary. There must be a sense of ownership and responsibility across sections of society, as without social cohesion and trust, national development is undermined.

Make the constitution a living document by fostering universal awareness and the expression of Constitutional values in people's everyday lives and across social and cultural institutions.

The 1994 RDP[125] became the cornerstone for formalising policy and legislative framework for integrating and coordinating government within and across the three spheres in pursuant of its four key objectives, i.e. (i) to meet the basic needs, (ii) to build the economy, (iii) to democratise the state and society, and (iv) develop human resources and (v) nation building. The idea of social cohesion and Ubuntu emphasised cooperation rather than conflict. It encouraged mutual understanding and tolerance, holding that *"Our society has been captured by a rapacious individualism which is corroding our social cohesion, repudiating the value and practice of human solidarity, and totally rejects the fundamental precept of Ubuntu"*[126].

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125   Government Gazette. 1994. Notice No. 1954 of 1994. White Paper on Reconstruction and Development Programme
126   Thabo Mbeki. 2007. 8th Annual Steve Biko memorial lecture. University of Cape Town.

CHAPTER 7:

INCLUSIVE SOCIETY

This chapter covers efforts made by the government to ensure the inclusion and participation of women, youth and persons with disabilities in social, economic and cultural aspects of development. It reviews relevant policies and legislation to reverse discriminatory and exclusionary policies and systems inherited by democratic South Africa. It sets out the experience of these designated groups, both within government and in the broader society, and the extent to which their quality of life improved for the better.

Before 1994, the majority of South African women experienced disenfranchisement, marginalisation, and a lack of access to fundamental rights, opportunities, and entitlements. Women of all races were relegated to a position of inferiority within a male-dominated and patriarchal society. This was evident in both African traditional society and European colonial society. Legislation and policies entrenched these patriarchal norms, leading to the widespread marginalisation of women. This was particularly acute for poor black women, who were largely excluded from political and economic spheres, as well as from decision-making processes across cultural, social, and legal domains. African women, positioned at the lowest rung of this hierarchical system, faced the most severe restrictions. Indian and Coloured women experienced marginally better conditions. Yet, they, too, suffered under laws that stripped African women of rights to home ownership or rental, child custody, education, and fair wages.

Additionally, black women were systematically denied equal access to productive assets such as land, homes, and other property, as well as health care, social services, education, and employment. The education system, starkly fragmented and racially segregated, perpetuated harmful social norms and gender stereotypes, with young women and women with disability carrying much more of a burden over and above the race element. By the late 1980s and early 1990s, enrolment at the primary level was slightly more male than female, reflecting this.

Before 1994, the youth in South Africa was perceived in contrasting ways depending on the prevailing political climate. Some regarded them as heroes of the liberation struggle, while others viewed them as reckless, impulsive, and unmanageable adversaries of apartheid[127]. This perception shifted significantly in 1994, with President Nelson Mandela recognising young people as a crucial national asset. He famously stated that the youth are the valued possession of the nation. 'Without them, there can be no future. Their needs are immense and urgent. They are the centre of reconstruction and development.'

Since 1994, youth unemployment has remained high. The 1996 National Census recorded a youth unemployment rate of 53.2%. While entrepreneurship is vital for development and job creation, youth participation remains low. The 2010 Global Entrepreneurship Monitor (GEM) report indicated that only one in every nine South African business starters is a young person. Additionally, South African youth entrepreneurship participation rose from 6% in 2010 to only 12.8% in 2014, still the lowest in Africa.

The democratic government inherited a societal perspective on disability that viewed it as a personal misfortune, necessitating a health and welfare approach to 'rectify' the individual and their circumstances[128]. Pre-1994, the government's programmes for persons with disabilities were rooted in a similar value system, extending the segregated policies and further infringing upon human rights and dignity. At that time, scant official statistics were available to inform the new democratic government about the nature of disability, the location and socioeconomic status of persons with disabilities across different racial groups. According to the 2016 Community Survey by Stats SA, there is a correlation between disability and age, with the highest incidence of disability reported among the elderly. Furthermore, disability is more common in rural areas compared to urban regions. The ongoing challenges and debates surrounding measuring disability are evident in the evolving methodologies over the past three decades. There remains a tendency to view disability through a health lens rather than a human rights perspective. Racial disparity in access to services for persons with disabilities also continues to be a significant issue.

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[127] Seekings J 2006. Beyond Heroes and Villains: The Rediscovery of the Ordinary in the Study of Childhood and Adolescence in South Africa, Social Dynamics 32:1, 1–20.

[128] Mike Oliver refers to this as the individual model. The chapter on "Disable People" in Social Policy (Alcock, Erkskine & May, 2006) provides perspectives on the individual and social models of disability in Social Policy and related service delivery issues.

OVERRIDING NATIONAL ASPIRATIONS

The RDP set a course for transformation and a commitment to a progressive legislative programme and a human rights agenda strongly informed by the principles of inclusion, gender equality, women's emancipation and empowerment. The Constitution, adopted in 1996, guarantees that all South African citizens have a right to be affirmed and enriched with democratic values of human dignity and equality. The Bill of Rights prohibits any form of unfair discrimination of individuals based on their race, gender, sexual orientation, disability, etc. It further puts in place corrective measures to realise equality in South Africa. The constitution provides specifically for gender equality, affirmative action, freedom and security of the person and socioeconomic rights.

The National Development Plan (NDP) for 2030 provides unequivocal direction for transforming society and forging national unity through equal opportunities, inclusivity, and redress. Its vision is to construct a socially cohesive and diverse society with a shared common identity. The NDP recognises that South Africa still grapples with high levels of inequality, where a significant portion of the population lives in poverty, and unemployment is rife[129]. The NDP also stated that Government needs to apply a "youth lens" to policies to expand opportunities, enhance capabilities and provide second chances. Areas most commonly identified as unlocking the potential of a demographic dividend are: better health, including food security, better health care, better education to meet the demands for higher skill levels, easy labour market entry and labour mobility.

The creation of the Department of Women, Youth, and Persons with Disabilities (DWYPD) and the integration of considerations and proper mainstreaming of imperatives for women, youth and persons with disabilities into all priorities of the Medium-Term Strategic Framework (MTSF) for 2019-2024 have brought about a level of consolidation in the initiatives.

To ensure alignment with international frameworks and to have a substantive influence on the standards for bridging global inequality gaps, South Africa has both signed and ratified numerous pivotal treaties and instruments that promote women's rights, empowerment, and the attainment of gender equality at the levels of the United Nations (UN), African Union (AU), and Southern African Development Community (SADC). Among these commitments are 27 out of the 189 United Nations International Labour Organization (ILO) Conventions. Of the 27 conventions ratified by South Africa, 24 are currently in effect, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1995 and established in 1972.

MILESTONES AND ACHIEVEMENTS

Advancement of women and gender mainstreaming

Over the three decades since 1994, South Africa has enacted various legislation promoting women's rights and upholding the gender equality principles of the Constitution. These laws encompass a wide range of issues, including development and advancement of women in employment and labour; women and girls' access to basic education; women's access to justice and protection against domestic violence and sexual crimes; maintenance of children and spouses; sexual orientation; rights of women under customary law; women's citizenship rights; women's health rights, including termination of pregnancy; sexual and reproductive health rights, among others. Furthermore, the government has progressively introduced comprehensive social welfare provisions, including child support, care dependency, old-age pensions, and disability grants. Notably, women constitute the largest proportion of recipients benefiting from this social protection framework.

Whilst gender mainstreaming remains more a policy issue, government has in line with a commitment to progressively meet socio-economic rights, introduced policies and programmes to broaden women's access to essential services, political representation, and socioeconomic prospects. Notable advancements have been made, including enhanced access to fundamental services such as clean water, electricity, housing, and free health care for the underprivileged. These measures represent crucial strides in advancing gender transformation.

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129   National Development Plan 2030, 15 August 2012 https://www.gov.za/issues/national-development-plan-2030.

In addition to these initiatives, the state has implemented various socioeconomic provisions to bolster women's economic empowerment. Women economic empowerment is defined as both the ability to succeed and advance economically, and the power to make and act on economic decisions and the power to make and act on economic decisions.[130] These provisions encompass measures such as facilitating more affordable and accessible financial services tailored to the needs of women, implementing development programmes designed to prepare women for leadership roles on the boards of both public and private entities, devising strategies to mobilise women farmers within agricultural cooperatives, and enhancing the accessibility of primary, secondary, and tertiary education for girls and women alike.

Today, in alignment with the constitution, women enjoy equal rights to men and possess equitable access to economic opportunities. This includes access to various occupations, leadership roles, and other facets of income-generating sectors within the economy. However, there is still much to do given that the 45% South African labour force participation among women in 2018 appeared second lowest across SADC countries as well as the gender pay gaps (SADC, SARDC. 2016).

Women representation in Parliament and in Provincial Legislatures has gradually increased. Based on the last elections of 2019, the proportion of women in the national parliament was 44.6%; in the provincial legislature, it was 38,8%. Legislative reforms that value traditional leadership has also enabled greater recognition of women leaders in traditional leadership councils and Houses of Traditional Leaders.

The 2022 Commission for Employment Equity Report highlights that women representation in top management increased from 13,0% in 2001 to 25,8% in 2021, and on senior management from 20% to 36,4% over the same period[131]. While this improvement is noted in the public sector, the representation in the private sector is yet to reach the desired transformation targets, including the representation of young women and those living with disabilities. All categories, namely public service senior managers and top leadership in JSE-listed entities and SOE (i.e. Directorship, Board Chairpersons and Chief Executive Officers or Managing Directors) have improved from 2011 to 2021. It is in the public service senior managers where women representation is more than 50%. Similar trends are noted in the BWASA Women in Leadership Census 2021, which reported marginal gains in women representation in positions of Board Chairpersons and CEOs. Overall, the gender gap has narrowed over time albeit at a slow pace.

Financial inclusion and connectivity have become crucial aspects of today's society. Enabling legislation and proliferation of various financial, banking products as well as mobile connectivity have made it easy for women to have bank accounts and be more in control of their financial situations. The proportion of females owning a mobile phone in South Africa stood at 80.9% in 2022 and has been higher than that of men for the past decade.

Systems for tracking and making public the impact of interventions for the advancement of women are in place and functional: Gender-responsive planning, monitoring, evaluation, and auditing (2019); National strategic plan on gender-based violence and femicide (2020); and SDG monitoring indicators for empowerment of women, youth, and persons with disabilities (2020).

To synthesise overall progress on policy development, the following scorecard gives a snapshot on various dimensions of gender equality and women advancement.

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130 Anne Marie Golla, Anju Malhotra, Priya Nanda, and Rekha Mehra, 2011. Understanding and Measuring Women's Economic Empowerment: Definition, Framework and Indicators. https://www.icrw.org

131 Commission for Employment Equity, 2022.

Figure 42: Snapshot on 30 Year of gender equality and women empowerment in SA

| 30 Years of Gender Equality and Women's Empowerment in South Africa	Dashboard key			
	Significant progress	Good progress	Moderate progress	No progress
Entrenching South African's vision and mandate for gender equality	😄			
Formulating policies and legislation that are gender responsive		😊		
Implementing policies and legislation for gender equality			☹️	
Overcoming the challenges of poverty for woman			☹️	
Women's Representation at the political, leadership and local government level	😄			
Women's Representation in the public sector	😄			
Women's Representation in the private sector			☹️	
Promoting women's economic emancipation			☹️	
Social transformation and social justice: Women's access to services			☹️	
Social transformation and social justice: Women and social protection		😊		
Social transformation and social justice: Women's health and wellbeing			☹️	
Social transformation and social justice: Women education and skills Development		😊		
Women's and girls right to be free of violence				☹️
Promoting women's role in the environment / green economy		😊		
Gender responsive policies, planning, research, budgeting, monitoring, evaluation and auditing across government			☹️	
Addressing Patriarchy, sex stereotyping and gendered roles and division of labour				☹️
Addressing women's unequal share of unpaid care work and household responsibility in the GDP				☹️

Source. Department of Women, Youth and Persons with Disabilities. 2023

Figure 43: Gender representation in parliament and provincial legislatures
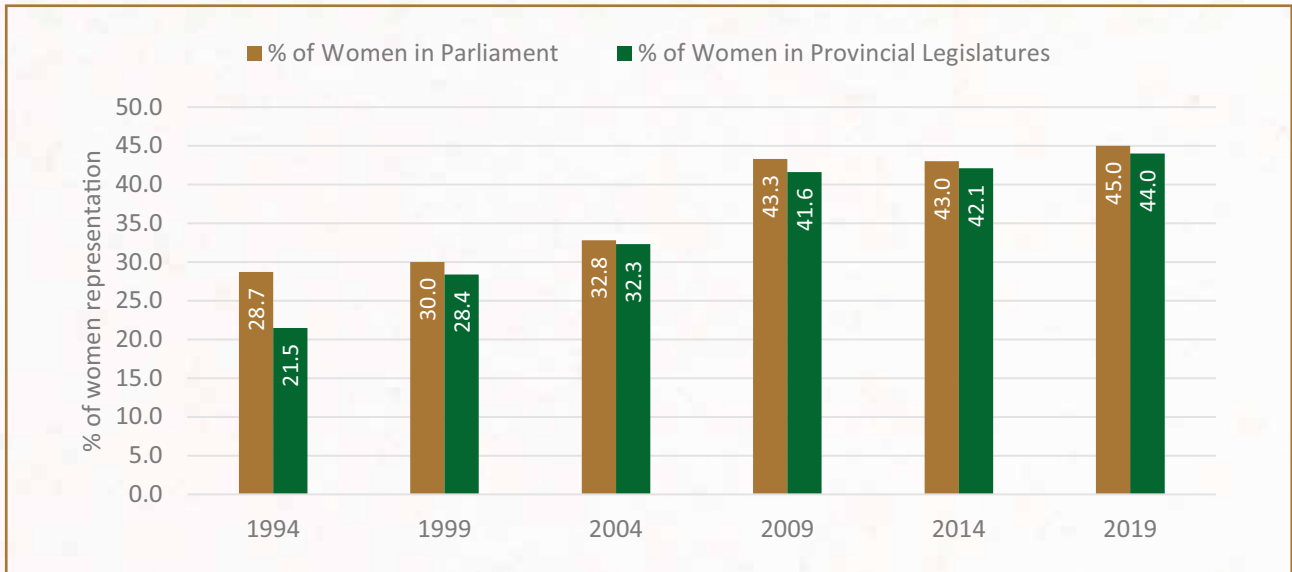
Source: DPME Development Indicators Report, 2023

Figure 44: Women representation in public and private sector senior positions (2011-2022)
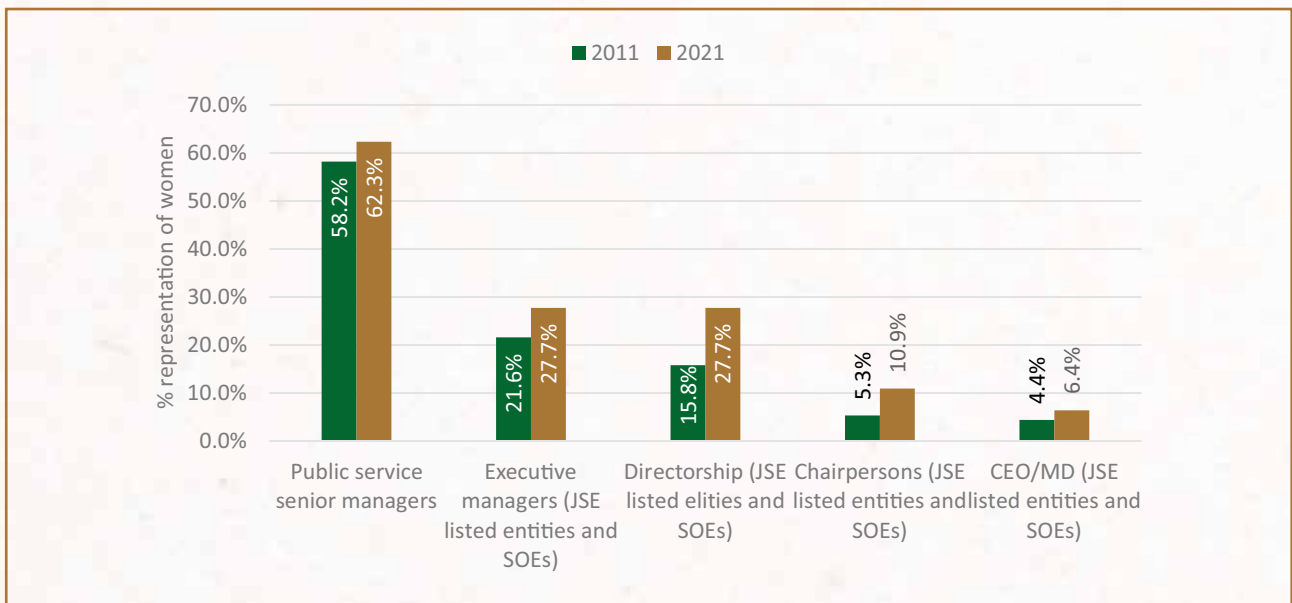
Youth development

To foster youth development, the South African government has, since April 1994, implemented several policies, programmes, and plans. This approach is part of a broader agenda to transform South African society.

In 1996, the National Youth Commission was established as a statutory body dedicated to youth development, focusing on advocacy, lobbying, and coordination[132]. This was complemented by the formation of the Umsobomvu Youth Fund in 2001, an agency tasked with promoting job creation and skills development for youths aged 18 to 35. The South African Youth Council was also established as an umbrella body of civil society organisations, enabling youth interests and representation in strategic structures[133].

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[132] National Youth Commission (NYC) Act 19 of 1996.
[133] Republic of South Africa, 2020. National Youth Policy 2020 – 2030.

In 2008, the landscape saw significant changes with the establishment of the National Youth Development Agency (NYDA), formed through the amalgamation of the National Youth Commission and the Umsobomvu Youth Fund[134]. The NYDA's primary focus is implementing youth development programmes, which are critical in executing an Integrated Youth Development Strategy. This strategy aligns various youth programmes to address poverty, socioeconomic development in urban and rural areas, combatting crime and substance abuse, and social decay amongst youth.

Since 2000, youth development policy frameworks have been progressively developed, starting with the National Youth Development Policy Framework (2000–2007) and followed by Cabinet-approved versions of the National Youth Policy for 2009-2014, 2015-2020, and 2020-2030. These policies provide guidance for national stakeholders on delivering youth development services.

The programmes aimed at youth development have evolved over time with institutional reconfigurations.

The National Development Plan (NDP) 2012 advocates for active youth involvement in establishing a transformative and proficient state to eradicate poverty, unemployment, and inequality in South Africa[135]. The targets and programmes of the current National Youth Policy (NYP) 2016-2030 cut across a range of sectors are listed below (Some of these are covered in other chapters of this report):

- The Employment Tax Incentive, youth employment absorption provides access to opportunities.
- Work exposure programmes include the National Youth Service and the Presidential Youth Employment Intervention.
- Support for enterprise and cooperatives, exemplified by graduate placement under the Comprehensive Agriculture Support Programme.
- Educational interventions to promote fields like science, technology, engineering, and mathematics (STEM), as well as digital skills in coding, robotics, and artificial intelligence.
- Promoting social cohesion through sports, culture, arts, music, and other related activities and measures to enhance youth health, safety, and security in schools and community programmes.

In the last 30 years, there has been a marked increase in school enrolments at all levels. The #FeesMustFall movement, advocating for accessible, decolonised education for all students, led to the government allocating R57 billion for the 2018/19-2020/21 fiscal years. This funding supports free education for students from poor or working-class families with a combined income of up to R350,000.

Commitment to protecting children, women, and youth from abuse and sexual exploitation is evident through laws and activities, including:

- The Sexual Offences and Related Matters Amendment Act 32 of 2007.
- The Protection from Harassment Act 17 of 2011 (used explicitly targets online bullying.)
- The Child Justice Act 75 of 2008.
- Formation of human trafficking task teams in regions like KwaZulu-Natal and Gauteng.
- The establishment of over 50 Thuthuzela Care Centres since 2006 for victims of rape and other forms of sexual and gender-based violence.
- Introduction of the National Drug Master Plan (2013-2017) to tackle alcohol and drug abuse and its negative social and economic impacts.

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[134] National Youth Development Agency (NYDA) Act 54 of 2008.
[135] National Development Plan 2030, 15 August 2012 https://www.gov.za/issues/national-development-plan-2030.

Advancement of persons with disabilities

Mainstreaming disability

South Africa has made important progress in mainstreaming disability. Within the policy environment, there have been major shifts away from viewing disability primarily as a medical, health, or welfare issue through a transition towards a rights-based approach. These shifts are expressed in relevant legislation, policies and programmes that emphasise the roles and responsibilities of various government departments and Civil Society Organisations (CSOs) to create a more inclusive society for persons with disabilities (PwD).

Section 9 of the RSA Constitution prohibits any form of discrimination. Section 54 of the Employment Equity Act of 1998 provides for the employment of PwD. The NDP, adopted in 2012, directs that PwD must have equal access to opportunities across the board and their active participation of all PwD in critical sectors of society. This includes access to quality education, employment, skills development, and all other activities that enables their productive and gainful contribution to society. The strategic positioning of the Office of the Status of Disabled People (OSDP) and the establishment of the Ministry of Women, Youth and Persons with Disabilities in The Presidency are to ensure line of sight on disability matters across all government legislation, policies, and programs. In 2015, the Disability-Disaggregated National Development Plan was published, providing a roadmap for an inclusive society in line with the provisions of the Constitution.

The White Paper on the Rights of Persons with Disabilities (WPRPD - 2015) laid a foundational framework for ensuring that PwD enjoy equitable access to socioeconomic opportunities, and to strengthen accountability by duty-bearers and recourse for rights-holders. The WPRPD defines the rights and responsibilities of PwD, ensuring their protection and inclusion in both the workplace and the healthcare sector. The WPRPD has set Disability equity targets at 7% by 2020 and 10% by 2030 to redress past marginalisation and ensure equitable participation, universal access, and reasonable accommodation. The WPRPD has extended social assistance to children and adults with disabilities, transcending racial boundaries and significantly reducing poverty levels among this demographic.

Accordingly, various sector policies and programmes have integrated imperatives for persons with disability. For instance, the public service has endorsed the Policy on Reasonable Accommodation and Assistive Devices for Employees with Disabilities. The Strategic Policy Framework on Disability for the Post-School Education and Training System was introduced in 2018 to aid students with disabilities. The National Learner Transport Policy, established in 2015, prioritises accessibility for learners with disabilities. The National Student Financial Aid Scheme (NSFAS) has expanded its support for reasonable accommodation at colleges and universities to include personal assistance. Additionally, a Court Services Model for Persons with Disabilities was introduced in 2016, furthering the commitment to inclusivity and support for individuals with disabilities across various sectors. The National Mental Health Policy and the Strategic Framework (2023-20230) adopted by the Department of Health and the National Health Council marked a historic development for mental health in South Africa.

Using the Washington Group Model, Statistics SA estimates an impairment prevalence of 7.5% (narrow definition) and 17.2% (broad definition) derived from the 2011 National Census. However, this excludes children between 0-4 years, PwD in residential care and school boarding facilities, and persons with psychosocial, neurological, and emotional disabilities. The analysis determined that disability equity targets should be set at 7% by 2020 and 10% by 2030 if we are to redress past marginalisation and ensure equitable participation and benefits for PwD, according to the WPRPD implementation matrix.

Transformative understanding of disability

The definition of what constitutes a disability necessitates the consideration of various factors, including the presence of visible and hidden impairments and internal and external limitations or barriers that can impede full and equitable participation in society. It is crucial to shift the focus towards acknowledging the abilities and potential of individuals with disabilities rather than fixating solely on their limitations. Additionally, environmental obstacles and negative societal perceptions and attitudes can further restrict access to opportunities for persons with disabilities.

The definitions of disability have transformed over time, reflecting a more progressive understanding. While there is no universally applicable and internationally endorsed definition of disability, there is a solid body of work to recognise individuals with disabilities as a distinct group endowed with rights and responsibilities akin to those of any other citizen within a country.

Access to social assistance and social security

Notably, the provision of social grants to persons with disabilities has substantially increased. According to SASSouth Africa's SOCPEN system, as of 2023, the number of beneficiaries of disability grants has risen from 804,249 in 1997 to 1,035,437 in 2023. Furthermore, the care dependency grants for children with disabilities have seen substantial growth, with the number of recipients increasing from 5,737 in 1997 to 156,982 in 2023. Access to grants-in-aid has also expanded, with beneficiaries growing from 9,183 in 1998 to 328,507 in 2023. These initiatives have played a vital role in enhancing the well-being and social inclusion of individuals with disabilities.

Social compacting on disability

The government has a mandate for service provision that includes funding NGOs and Disabled People Organisations (DPOs) at national and provincial levels, which helps monitor and improve service delivery to persons with disabilities and their families. Several initiatives and programmes have been introduced:

- Reliable systems to monitor progress, e.g. the Commission for Employment Equity (CEE), contains statistics on PwD.
- DALRRD policy to adhere to the target of 50% for women, 40% for youth and 10% for PwD in post-settlement programmes.
- DoJ&CD programmes to ensure equal access to justice for PwD, capacity building programmes, and improving reasonable accommodations with about 70 court buildings were made accessible to persons with disabilities.
- Implementation of affirmative action measures considering PWD.
- Various measures under the Skills Development Act of 1998 for access to learnership programs
- SALGA developed a Disability Framework for Local Government (2009-2014) to address disability within the Local Government
- Free Health Care Policy provided for pregnant and lactating women in 1996 was extended to all women and PWD in 2002 to facilitate access to health care, rehabilitation and assistive devices to eliminate barriers to healthcare costs.
- DBE and DHET collaborate on the specialised university qualifications in Deaf and hard of hearing, Visual impairment and Neuro-developmental conditions.

Access to education for learners with disabilities

The number of special schools and intake of learners with disabilities almost doubled between 2002 and 2022.

Table 9: Access to Education for Learners with Disabilities (2002- 2022)

Growth Area	2002	2022
Number of special schools (435 Public, 54 Independent)	295	489
Learner enrolment in special schools	64 000	139 343
Number of full-service schools	30	832
Number of learners with disabilities in ordinary public schools	77 000	121 461
Number of children with disabilities supported by the LSPID Grant in special care centres and targeted schools	Implementation started in 2018	8 641

Source: EMIS data for 2022; Comprehensive Audit on Special Schools, 2002.

Gauteng reports the highest number of learners with disabilities in public ordinary schools at 40,367, while the Northern Cape reports the lowest at 1,419 learners with disabilities. Chronic under-budgeting is one of the critical reasons for the lack of momentum in expanding inclusive education. Achieving equity in access to special schools has diverted the attention of both communities and government officials from focusing on the equality of outcomes in the educational sector.

While the public perceives that the special education sector provides learners with improved learning opportunities, access to specialised services, and highly effective intervention programmes delivered by trained professionals, the reality is that expectations are often lower for these children. They are frequently subjected to classroom methodologies and curriculum delivery that lag behind the latest developments in general education. There are indications that fewer and fewer learners in special schools obtain a senior certificate with matriculation exemption and progress to higher education studies. With a few exceptions, these schools' vocational and skills development programmes do not promote links between the programmes and the work environment. Instead, they mainly prepare learners for sheltered employment in workshops and an adult life of social seclusion. A new approach must be found to change this dynamic, drawing from collective effort of the Department of Basic Education, institutions of higher learning, CSOs, and the business sector.

Representation of PWD in occupations and workplaces.

The 2022/23 Commission for Employment Equity (CEE) Annual Report highlighted that the representation of Persons with Disabilities (PwD) remains low across all 6 occupational levels of the workforce. In the private sector, only 1.7% of top management positions are held by PwD; this figure is even lower at 1.4% in the government sector.

Notable progress has been made in certain government departments to promote the inclusion of PwD. The Department of Agriculture, Land Reform and Rural Development (DALRRD) has taken significant steps in developing policies to include PwD as part of interventions to unlock land. DALRRD aims to achieve targets of 50% representation for women, 40% for youth, and 10% for PwD in post-settlement programmes.

Similarly, the Department of Justice and Constitutional Development (doj&cd) has implemented measures to ensure that PwD has equal access to justice. They have initiated capacity-building programmes and have developed a National Policy Framework On Providing Reasonable Accommodation For Court Users With Disabilities. Approximately 70 court buildings have been made accessible to persons with disabilities by improving accessibility and inclusivity.

Workplace transformation has been promoted by implementing affirmative action measures considering factors such as race, gender, and disability. The Skills Development Act of 1998 outlines various forms of assistance to facilitate the participation of persons with disabilities in learnership programmes.

To address disability issues at the local government level, the South African Local Government Association (SALGA) developed a Disability Framework for Local Government from 2009 to 2014. This framework provided a strategic approach to addressing disability-related challenges within the context of Local Government.

Furthermore, the Free Health Care Policy, implemented in 2002, was extended to cover women and persons with disabilities (PWD). This policy aims to facilitate access to healthcare services, rehabilitation, and assistive devices while eliminating barriers associated with healthcare costs. A collaborative partnership between the Department of Basic Education (DBE) and the Department of Higher Education and Training (DHET) has resulted in the development of specialised university qualifications. These qualifications focus on the deaf, hard of hearing, visual impairment, and neuro-developmental conditions and aim to enhance expertise in these critical areas.

Additionally, the Department of Public Works and Infrastructure (DPWI) has devised a sector-specific plan with clearly defined targets for implementing universal design and access within the built environment. This initiative ensures that infrastructure and environments are designed and constructed to promote accessibility and inclusivity for all individuals, including those with disabilities.

LESSONS TOWARDS VISION 2030

Relevant legislation and institutional frameworks are in place to advance and empower the designated segments of society, namely women, youth, and persons with disabilities.

An overriding recommendation is to accelerate the implementation of programmes to advance and empower these designated segments of society, namely women, youth, and persons with disabilities. Relevant legislation and institutional frameworks are in place, and critical programmes have gathered momentum. The discourse on inclusion and tolerance has broadened in South Africa have increasingly incorporated imperatives for the LGBTQI+ community.

There is, therefore, much successes to build on and there are low-hanging fruits for acceleration for wider and enduring impact. Within government, immediate improvements can be achieved with appropriate resourcing, better coordination to reduce duplications and improve efficiency. This area is an important one for social compacting to drive inclusive growth – given the capacity that exists in non-state actors (NGOs, CSOs, the private sector, and the international community). Scaling up successful initiatives should be pursued through government partnering with the non-government sector.

Systems for data improvement and monitoring results must be strengthened to support regular and more apparent publicising of progress and results achieved. Leveraging existing systems to monitor progress and impact, e.g. SDG Monitoring Indicators for Empowerment of Women, Youth and Persons with Disabilities; the Commission for Employment Equity (CEE) statistics on PwD; the Gender Responsive Planning, Monitoring, Evaluation and Auditing. This also include standardisation of indicators to improve statistics on disability across sectors.

There are specific lessons that should inform strategic thrust moving towards 2030 NDP goals.

Specific to women include:

- Implementing and institutionalising the Gender-Responsive Policy, Planning, Budgeting, Monitoring, Evaluation, And Auditing (GRPBMEA) Framework into all sectors, spheres, and government work is crucial. This includes the implementation of a training programme on gender-responsive planning and budgeting.

- Accelerate implementation of the National Strategic Plan (NSP) against Gender-Based Violence and Femicide (GBVF) across all six pillars:

- Accelerate implementation of the 40% preferential public procurement plan for women-owned businesses.

Specific lessons persons with disabilities

- Fast-track implementation of the improvement plan resulting from evaluating the White Paper on the Rights of Persons with Disabilities.

- Mainstreaming the 7% disability equity target across all sector departments and the private sector;

- Legislation to give full effect to inclusive education for children with disabilities;

- Institutionalise universal design and reasonable accommodation across all sectors to enhance access and participation for persons with disabilities (PwD);

- Promote the use of South African sign language among all South Africans.

Specific lessons on youth

- Implement recommendations from the evaluation on youth employment creation programme.

- Foster collaboration between government, civil society, and private sector organisations to develop comprehensive and integrated approaches to youth development.

- Continue implementing the National Youth Service (NYS) Programme to instil a culture of service and patriotic citizenship in young individuals.

- Enhance measure to promote ethical leadership and rebuild trust among youth in the country's future, encouraging greater civic interest, participation, and accountability.

- Harness the potential of the cultural and creative industries and integrate the tourism, sports, and arts sectors.

CHAPTER 8:

BETTER QUALITY HEALTH FOR ALL

This chapter analyses the progress and achievements of the democratic government in the stewardship of the health sector and the delivery of healthcare services between 1994 and 2024. The chapter also draws lessons and proposes recommendations for the healthcare sector and its social partners in working towards the NDP 2030 vision.

In 1994, the newly established democratic Government in South Africa inherited a highly fragmented healthcare system with multiple health departments. This system was inequitable and hospital-centric, strongly biased towards curative and higher-level services. Remarkably, only 11% of the public sector healthcare expenditure was devoted to non-hospital primary care services. Additionally, it was racially segregated, favouring historically white areas, and was inequitably biased towards the wealthy minority. This minority, constituting approximately 23% of the population, had access to about 61% of the total healthcare expenditure in 1992/93. Uniquely for a middle-income country, South Africa also faced a quadruple burden of disease.

Pervasive racial and socioeconomic inequalities permeated the healthcare sector and impacted significant health indicators such as life expectancy, maternal mortality ratio, infant mortality rate, and incidence of TB. The African and Coloured populations bore the brunt of these diseases. The best available estimates of life expectancy during the pre-democracy era reflect that, in 1998, life expectancy amongst White South Africans was 65,2 years for males and 73 years for females. By contrast, African life expectancy was significantly lower at 52,5 years for males and 64.6 years for females. At birth, the probability was that the life of an African female would be 9 years shorter than that of a White female. In 1998, infant mortality for white infants was 13.1/1 000 live births, compared to 70/1,000 live births for black infants in 1985 (Jurjus, 2005).

The provision of health infrastructure was a challenge pre-1994. There was a maldistribution of hospital beds and clinics. An audit of hospitals conducted by the Council for Scientific and Industrial Research in the country in 1996 found that about 12% of the available stock of public hospitals needed to be replaced, while 17% required renovations (Harrison, 2010). Pre-1994, wide-ranging inequities in access to services included a maldistribution of human resources for health, skewed in favour of the private sector. A case in point was the distribution of general practitioners (doctors). Of the 17438 general practitioners in South Africa in 1996, 10,067 (57.7%) worked in the private sector and 7,371 in the public health sector. Urban-rural inequities were also pervasive, with nearly 60% of all public sector general practitioners based in the urban provinces of Gauteng and the Western Cape.

Table 10: Major categories of health personnel in the public and private health sectors in 1996

Categories of Personnel	Western Cape	Northern Cape	Free State	Eastern Cape	KwaZulu Natal	Mpumalanga	Northern Province	Gauteng	North West	South Africa
Nurses (All)	13 287	1 966	7 589	18 284	27 348	4 459	11 722	26 749	8 995	119 922
Public	10 040	1 793	6 700	17 001	24 500	4 012	11 459	20 038	7 793	103 336
Private	2 627	176	958	10107	1 933	595	326	6 472	647	14 841
Dentist (All)	867	62	148	201	407	132	80	1 748	104	3 748
Public	67	3	18	27	44	18	18	183	40	418
Private	800	58	130	174	363	114	62	1 565	64	3 330
GPs (All)	2 852	296	983	1 541	3 581	634	484	6 449	644	17 438
Public	1 255	112	300	649	1 219	199	274	3 006	357	7 371
Private	1 597	184	683	892	2 362	434	210	3 443	261	10 067
Specialists (All)	1 412	49	363	354	1 237	89	85	2 627	128	6 342
Public	600	10	202	120	673	17	39	984	42	2 685
Private	812	39	161	234	564	72	46	1 643	86	3 657

Source: Mametja D, Reid S. South African Health Review, 1996

The first case of the Human Immunodeficiency Virus (HIV), the precursor to AIDS, was detected in South Africa in 1990. By 1994, the country was facing a rapidly growing HIV epidemic. An antenatal seroprevalence survey conducted by the National Department of Health (DOH 2003) estimated that 2.2% of women attending antenatal clinics had HIV. This number increased to a staggering 7.6% by 1994.

OVERRIDING NATIONAL ASPIRATIONS

South Africa's vision for a well-functioning healthcare system that would provide good quality care to all citizens was first codified in the RDP in 1994. The RDP set a vision for a new society, including creating a transformed, comprehensive, accessible, and equitable healthcare system. The RDP envisioned a unified National Health System integrating the public and private sectors. The RDP aspired to provide comprehensive and good quality health services for all South Africans across all health system levels. Consistent with this approach, the government would also provide basic services (known as social determinants of health) such as clean water and sanitation, healthy environments, nutrition, jobs, land, housing, water, electricity, and transport to all citizens.

The RDP included several specific health sector objectives, including:

- Clinic building programmes in rural areas and informal settlements
- Free health care for children under six years and mothers pre- and post-natal
- Promotion of safe sexual behaviour, use of condoms, and the control of AIDS
- Development of a National Health System with a primary healthcare (PHC) approach
- Curbing the diseases of poverty, including Tuberculosis
- Reducing malnutrition by introducing a Primary School Nutrition Programme

This broad-reaching approach was consolidated in Section 27 of the Constitution, which states that (1) everyone has the right to have access to — (a) health care services, including reproductive health care; (b) sufficient food and water; and (c) Social security, including, if they are unable to support themselves and their dependents, appropriate social assistance; (2) the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights; and (3) No one may be refused emergency medical treatment.

The White Paper for the Transformation of the Health System, published in 1997, and the National Health Act (No 61 of 2003), respectively, provided the policy and legal framework for a transformed health system based on the PHC approach. The PHC approach implied creating a unified national health system incorporating the public and private sectors and the equitable distribution of healthcare services.

This broad approach to the ultimate goal of Universal Health Coverage culminated with the adoption of the National Health Insurance (NHI) Bill by both houses of Parliament in 2023. NHI objectives include providing all South Africans access to quality healthcare services, regardless of their socioeconomic status or geographical location. It aims to reduce health disparities between different population groups and regions of the country and to protect individuals and families from the financial burden of healthcare expenses. By February 2024, the NHI Bill was still to be assented to by the President.

In the second decade of democracy, the National Development Plan (NDP) 2030, introduced in 2012, envisioned a health system that works for everyone, produces positive health outcomes, and is accessible to all. By 2030, South Africa should have:

- Raised the life expectancy of South Africans to at least 70 years;
- Produced a generation of under-20s that is mainly free of HIV;
- Reduced the burden of disease;
- Achieved an infant mortality rate of less than 20 deaths per thousand live births, including an under-5 mortality rate of less than 30 per thousand;
- Achieved a significant shift in equity, efficiency and quality of health service provision;
- Achieved universal coverage;
- Significantly reduced the social determinants of disease and adverse ecological factors.

LEGISLATION, KEY POLICIES AND PROGRAMMES

The democratic government developed legislation, policies, and programmes to enhance healthcare delivery and improve the nation's health status.

The Choice on Termination of Pregnancy Act of 1996 legalised termination of pregnancy, offered women a choice to terminate and made provision for the delivery of such services in the public sector and outlined circumstances in and conditions under which the pregnancy of a woman may be terminated. This enhanced the lives of many women and brought South Africa into line with global best practices.

The *Medicines and Related Substances Control Amendment Act 90 of 1997* aims to enhance the availability of quality, affordable medicines. Having good quality medicines available is one of the basic building blocks of a health system, and this Act enables this.

The Tobacco Products Control Amendment Act 12 of 1999 aims to discourage smoking. Stopping smoking (or not starting) is one of the most critical positive health behaviours of modern times. Smoking is associated with numerous long-term adverse health effects, including heart disease, lung cancer and general ill-health, with consequences at an individual level as well as at a population level with an increased burden of disease. The National Health Laboratory Service Act 37 of 2000 provides for establishing a single national public entity to provide public health laboratory services and developing policies to enable the provision of health laboratory services. This ensured that all provinces had access to the same laboratory services nationwide and that expertise and knowledge were quickly disseminated through this public entity.

The *Mental Health Act 17 of 2002* regulates mental health care to ensure the best possible treatment and rehabilitation services are equitably available to the whole population. The Act further clarifies the rights and obligations of mental health users.

The National Health Amendment Act 12 of 2013 provides for, amongst other things, the establishment of the Office of Health Standards Compliance (OHSC). The objects of the OHSC include advising the Minister of Health on matters relating to the norms and standards that will regulate the national health system. The functions of the OHSC include inspecting and certifying health establishments as compliant or not.

The creation of a National Public Health Institute of South Africa (NAPHISA) was legislated for by Act 1 of 2020. This independent body has a wide range of activities as its mandate, including coordinating disease surveillance, providing specialised public health services and interventions, training and research. It is also mandated to provide the government with support, expertise and advice to improve the population's health (The Presidency, 2020). Unfortunately, this body has not been established despite wide expectations of its essential role in coordinating health promotion as a fundamental component of primary healthcare (PHC) and Universal Health Access (UHC).

Key policies included introducing free health care services for children under six and pregnant and lactating mothers in 1996. The policy of Free PHC services was later expanded to all South Africans. These policies sought to increase the accessibility of health for expectant mothers and their babies as a priority service and then all of primary health care.

In 2003, the Comprehensive HIV and AIDS Care, Management and Treatment Operational Plan was approved by the Cabinet. It was followed by successive iterations of National Strategic Plans (NSPs) to deal with HIV & AIDS and Sexually Transmitted Infections (STI) as well as Tuberculosis.

The health sector also produced the Strategic Plan for Maternal, Newborn, Child and Women's Health (MNCWH) and Nutrition in South Africa 2012-2016. This Strategic Plan outlined the country's strategies for reducing mortality and morbidity among mothers and children. The strategic plan outlined interventions to improve the functioning of PHC services and the district health system to enhance maternal and child care.

MAJOR MILESTONES AND ACHIEVEMENTS

Improved access to Primary Health Care services and the Central Chronic Medicines Dispensing and Distribution Programme

As reflected in the 25-year review report of the Presidency (2019), access to Primary Health Care (PHC) services, measured by headcounts, increased from 68 million in 1998 to almost 120 million in 2019. The decline in PHC headcounts from 119,624,000 in 2019 to 105,134,000 in 2022 is mainly attributed to the introduction and scaling up of the Central Chronic Medicines Dispensing and Distribution (CCMDD) programme, which provided an alternative mechanism to facilitate access to medicine for stable patients. Since its modest beginning in 2014, when only 26,284 patients were registered, the CCMDD programme has grown extensively, and by 2023 had a total of 5,6 million beneficiaries. The utilisation of the CCMDD programme, measured in terms of headcounts as well as the number of scripts collected by beneficiaries, grew exponentially with an increase in the total number of headcounts from 2 million in 2017/18 to 10,2 million in 2022/23 (National DoH, 2023). The CCMDD enabled millions of patients to access their medicines remotely from formal health facilities, and post-COVID-19 pandemic, its growing uptake reflects that society has changed towards more convenient methods of accessing medicine.

Figure 45: National PHC Total Headcount 2013 – 2022 (and January-August 2023) (millions)

Source: National Department of Health, http://www.health.gov.za/ccmdd/

Figure 46: CCMDD Registered patients 2014-2023

Source: National DoH, October 2023

Efforts to improve the quality of healthcare

In 2015, the healthcare sector began implementing a quality improvement programme called the Ideal Clinic Realisation and Maintenance Programme (i.e. Ideal Clinic) under the banner of Operation Phakisa, a methodology to fast-track delivery of government programmes. An Ideal Clinic would have good infrastructure, adequate staff, medicines and supplies, bulk supplies, and good administrative processes. The expansion of the Ideal Clinic Programme is an example of one of the many initiatives to improve the quality of healthcare services in the public sector. Between 2015/2016 and 2022/23, 3471 PHC facilities were assessed for compliance with ideal clinic status standards. The number of PHC facilities that achieved Ideal Clinic status increased from 322 (9.3%) in 2015/2016 to 2 046 (58,9%) in 2022/2023. Facilities without Ideal Status faced challenges such as protracted supply chain management delays, infrastructure deficiencies, and limited human health resources.

Table 11: Ideal clinic and OHSC compliance status per province

Province	Total # facilities	#IC 2015/16	% IC 2015/16	#IC 2021/22	#IC 2021/22	#IC 2022/23	%IC 2022/23	#OHSC COMP	% OHSC COMP
Eastern Cape	776	14	1,8%	178	23,0%	192	24,7%	85	11%
Free State	219	22	9,9%	143	65,6%	154	70,3%	56	25%
Gauteng	371	89	24,2%	341	92,4%	358	96,8%	98	26%
KwaZulu-Natal	607	141	23,2%	511	84,2%	559	92,4%	253	42%
Limpopo	478	27	5,6%	167	34,6%	109	22,6%	34	7%
Mpumalanga	294	19	6,6%	173	59,0%	235	79,9%	92	31%
Northern Cape	161	3	1,9%	35	21,6%	27	16,8%	6	4%
North West	307	7	2,3%	180	58,1%	205	66,6%	56	18%
Western Cape	258		0,0%	200	76,0%	207	80,9%	50	19%
South Africa	**3 471**	**322**	**9,3%**	**1 928**	**55,4%**	**2,046**	**58,9%**	**730**	**21%**

Source: National DoH, personal communication, September 2023

The MTEF scale-up target is that 3 467 PHC facilities attain ideal status by 2024 and that 100% of PHC facilities maintain their Ideal Clinic status by 2025. This MTSF target is unlikely to be met at the current performance rate. Officers from the OHSC reviewed 730 facilities in 2022 and found only 21% to be compliant (last two columns of Table 2). Clearly, there is room for improved communication between the internal review process of the Ideal Clinic and the external review of the OHSC.

Progress towards the vision of Universal Health Coverage

South Africa envisages improved working towards Universal Health Coverage (UHC) through National Health Insurance (NHI) implementation. Achieving UHC, including financial risk protection and access to quality essential healthcare services and safe, adequate, quality, and affordable essential medicines and vaccines for all, is one of the United Nations SDGs targets. The NHI Bill was passed by the National Assembly in June 2023 and by the National Council of Provinces in Parliament in December 2023. It has now been submitted to the President for his signature.

The delay in the NHI's implementation and improvement of the approach to UHC also slows the effects of this on the bulk of the population. In July 2022, only 15.8% of South Africa's population had some form of medical aid coverage (StatsSA, 2022).

Table 12: Medical aid coverage, 2002–2022

Indicator	Years (Numbers in thousands)										
	2002	2004	2008	2010	2012	2014	2016	2018	2020	2021	2022
Number covered by a medical aid scheme	7 284	7 268	8 057	8 967	9 157	9 470	9 447	9 380	9 017	9 706	9 699
Number not covered by a medical scheme	38 445	39 666	41 266	41 606	42 819	43 946	45 646	47 628	50 328	50 629	51 590
Subtotal	45 728	46 934	49 322	50 573	51 976	53 416	55 903	57 008	59 346	60 336	61 289
Percentage covered by a medical aid scheme	15,9	15,5	16,3	17,7	17,6	17,7	17,1	16,4	15,2	16,1	15,8
Do not know	140	58	101	23	58	46	53	42	63	100	95
Unspecified	53	29	56	254	291	451	474	408	27	47	
Total population	45 868	46 992	49 423	50 596	52 034	53 461	55 146	57 050	59 409	60 436	61 384

Source: StatsSA: General Health Survey, 2022

Recent global developments include the fact that on January 24 2024, the World Health Organization's (WHO) executive board discussed ways to deliver UHC, and while most member states expressed support for UHC, they highlighted bottlenecks of lack of finance and trained healthcare workers for being off track with its implementation. In the past two decades, the discussions revealed that due to a combination of conflicts and the impact of the COVID-19 pandemic, financial availability for health has worsened. For UHC to be implemented, there needs to be an increase in health funding, it needs to be used efficiently and equitably, the health and care workforce needs to be strengthened, and primary healthcare (PHC) needs to be expanded, according to WHO. The health sector in South Africa over the past 30 years is a unique story that has many parallels in the global arena, and many of the global health issues are also domestic health issues. Improved availability of Human Resources for Health

Over the past 30 years, there has been a significant increase in the number of human resources for health in the country, relative to 1994, even in the face of increases in total population. As reflected in Table 4 below, the availability of medical doctors in the public sector improved from 21.9 per 100,000 in 2000 to 32.6 per 100,000 in 2022. Similarly, the total number of pharmacists tripled from 3.1 pharmacists per 100,000 population in 2000 to 11,1 per 100,000 in 2022. The number of professional nurses per capita improved from 120.3 per 100,000 in 2000 to 146.9 per 100,00 in 2022. The availability of enrolled nurses per capita improved from 59.7 per 100,000 in 2000 to 61.2 per 100,00 in 2022. This is a positive development as more doctors and other professionals are available to care for most of the population.

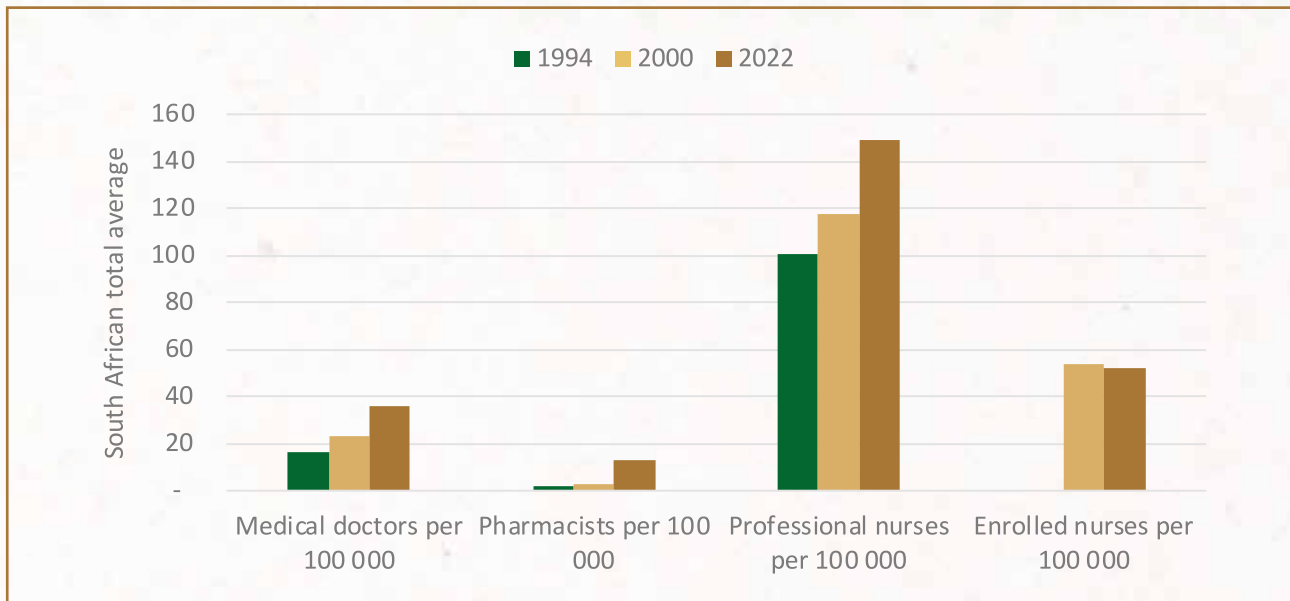**Figure 47:** Selected categories of human resources for health per 100 000 (1994 – 2022)

Table 13: Selected Categories Human Resources for Health per 100,000 1994 to 2022

Year	Eastern Cape	Free state	Gauteng	Kwazulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape
Medical doctors per 100 000									
1994	9,6	11	43,3	18	6,6	12,6	14,2	1,01	34,7
2000	12,3	24,3	36,6	24	12,5	16,4	28,9	11,9	39,7
2022	36,1	32,9	39,7	41,7	27,4	28	41,2	33,3	41,7
Pharmacists per 100 000									
1994	1,4	1,6	3,6	2,6	1,1	2,1	1,5	1,7	4,9
2000	2,3	2,3	5,1	3,3	2	2,3	2,3	1,6	6,1
2022	15,8	18,9	11	9,6	11,5	9,6	12,6	9,4	18,5
Professional nurses per 100 000									
1994	130	70,5	-	151	107	28,3	116	100	-
2000	106,1	128,9	172,5	119,8	104,6	90,5	104,6	94,3	139,9
2022	190,6	112,7	138,4	186,2	159	154,6	140,9	152,8	102,7
Enrolled nurses per 100 000									
1994	-	-	-	-	-	-	-	-	-
2000	59,2	36,1	46,6	85	63,6	42,7	44	46,1	60
2022	57,8	48,7	63,3	96,5	55,4	36,7	22,7	32,9	52,5

Source: Health Systems Trust, SAHR (1997); Health Systems Trust, SAHR (2000) and Health Systems Trust, SAHR (2023); 1994 data calculated by DPME based on provincial data.

Important recent developments are that the National Health Council approved the Human Resources for Health (HRH) strategy for 2030 (NDOH 2020) and an HRH Plan for 2020/21- 2024/25 in October 2020.

In 1996, South Africa completed a cooperation agreement on health matters with the Republic of Cuba to focus on development and training as part of various bilateral agreements between South Africa and Cuba. Areas of cooperation included (a) recruitment of medical doctors and lecturers from the Republic of Cuba and (b) training of South African medical students and postgraduates in the Republic of Cuba.

The cooperation agreements sought to entrench the two countries' commitment to the primary healthcare (PHC) approach to healthcare delivery.

Another important milestone is the growing role of Community Health Workers (CHWs) in providing community-based PHC services. By the end of March 2023, 46,172 CHWs had been contracted by the provincial health departments against the Mid-Term Strategic Framework (MTSF) target of 50,000 CHWs by March 2024. CHWs have demonstrated their value to Primary Health Care services. For example, the CHWs have expanded the capacity of the health system to trace lost TB and HIV/AIDS patients and return them to care and treatment. By March 2023, a total of 451,302 clients lost to follow-up for treatment were traced by CHWs, surpassing the annual target of 350,000 clients.

Infrastructure improvements

The democratic government prioritised the improvement of infrastructure. From 1994 to 2014, the government built over 1,600 new health facilities. The introduction of the Hospital Revitalisation Programme saw 12 new hospitals built and 26 hospitals replaced between 2014 and 2023. The Clinic Building and Upgrading Programme facilitated the construction of 1600 new clinics. Between 2014/15 and 2022/23, the total number of clinics and CHCs completed and in procurement and construction was 179, of which 149 (83%) have been completed, and 30 (17%) were either in procurement or construction by November 2023. The current health infrastructure improvements create an appropriate environment for quality health care and a conducive workspace for healthcare workers. These improvements also contribute to the NDP job creation and poverty reduction goals.

Table 14: Clinics and CHCs completed and those still in the pipeline (2014/15 - November 2023)

Province	Number of PHC and CHC facilities completed since 2014/15	Number of PHC and CHC facilities currently in procurement and construction	Total
Eastern Cape	17	2	19
Free State	8	5	13
Gauteng	3	11	14
KwaZulu-Natal	24	2	26
Limpopo	35	1	36
Mpumalanga	17	3	20
North West	16	3	19
Northern Cape	8	1	9
Western Cape	21	2	23
Total	149	30	179

Source: National DoH, 2023

Table 15: Hospitals completed and those still in the pipeline (2014/14 – November 2023)

Province	Number of Hospitals completed since 2014/15	Number of hospitals currently in procurement and construction	Total
Eastern Cape	2	4	6
Free State	1	1	2
KwaZulu-Natal	1	2	3
Gauteng	1	4	5
Limpopo	-	5	5
Mpumalanga	-	2	2
Northern Cape	3	3	6
North West	2	3	5
Western Cape	2	2	4
Total	12	26	38

Source: National Department of Health, 2023

Table 16: New hospitals completed since 2014/15

Eastern Cape	Khotsong Hospital	2022/2023
	Sipetu Hospital	2022/2023
Free State	Albert Nzula Trompsburg Hospital	2015/2016
Kwazulu-Natal	Dr. Pixley ka Seme Hospital	2021/2022
Gauteng	Zola Hospital	2013/2014
Northern Cape	Abraham Esau Hospital in Calvinia	2004/2005
	Mani Dipico Hospital in Colesburg	2004/2005
	New Kimberley Mental Hospital	2013/2014
North West	Swartruggens Hospital	2005/2006
	Bophelong Psychiatric Hospital	2015/2016
Western Cape	Khayelitsha Hospital	2012/2013
	Mitchell's Plain Hospital	2016/2017

Enhanced health status of South Africans

Overall, notwithstanding the impact of the various pandemics and disease outbreaks the country experienced over the 30 years under review, the health of South Africans is improving.

Increased Life Expectancy

The life expectancy of South Africans at birth deteriorated between 1994 and 2006, reaching an all-time low of 54.5 years. This was associated with the rampant scourge of HIV/AIDS and the comorbidity of TB, including the more virulent strains of drug-resistant TB. Life expectancy started improving consistently from 2005 with the start of antiretroviral treatment, reaching 65.5 years in 2020. This represents an increase of 10,9 years over 13 years.

However, because of the COVID-19 pandemic, life expectancy dropped by 3.5 years to 62.0 years in 2021, but there has been a rebound in 2022, and total life expectancy slowly began improving again and reached 62.8 years in 2022, compared to 62.0 years in 2021. Overall, males' life expectancy increased from 52.3 years in 2006 to 60.0 years in 2022, an increase of 7.7 years over the 16 years. Female life expectancy increased from 55.7 years to 65.6 years, an increase of 9.9 years over the same period. These milestones were a result of the successful implementation of programmes to fight HIV/AIDS and TB, as well as improvements in the socioeconomic conditions of South Africans, including the social safety net provided by the government to fight poverty and ameliorate poverty-related ill-health.

Figure 48: Life expectancy at birth for South Africans, 2002 to 2022

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
LE male StatsSA	53.5	53.0	52.7	52.4	52.3	52.7	53.3	54.4	55.7	57.4	58.4	59.0	59.8	60.2	60.9	61.6	61.8	62.1	62.4	59.3	60.0
LE female StatsSA	57.9	57.7	56.8	56.1	55.7	56.2	56.9	59.5	61.0	62.8	63.8	64.6	65.7	65.8	66.5	66.8	67.4	67.8	68.4	64.6	65.6
LE combined StatsSA	55.8	55.4	54.8	54.3	54.0	54.5	55.2	57.0	58.4	60.2	61.1	61.9	62.8	63.1	63.8	64.2	64.7	65.0	65.5	62.0	62.8
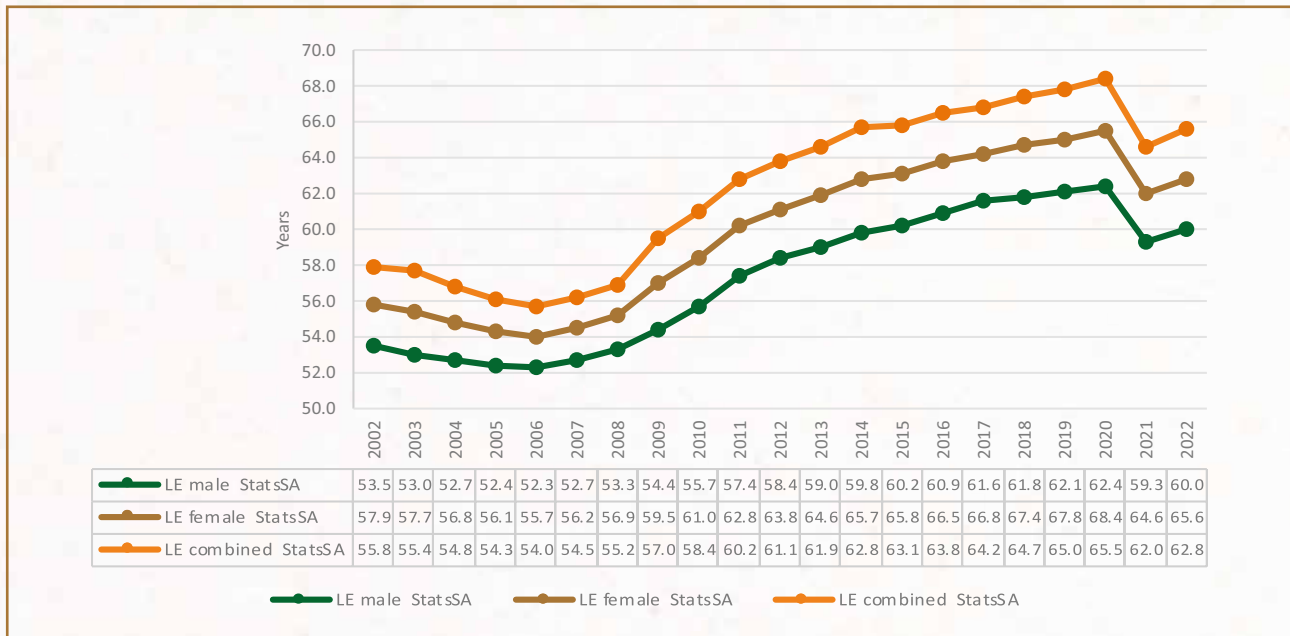
Source: Statistics South Africa, Mid-year Population Estimates, 2022

Decrease in AIDS-related deaths.

StatsSA Midyear Population Estimates 2022 show that AIDS-related deaths first increased in 2002, reaching a peak of 282,904 in 2006. Trends began reversing in 2007, and AIDS-related deaths decreased to the lowest point of 85 796 in 2022. This reflects a decrease of 69.7%. Although 605,943 deaths in 2002 increased by 57 132 (9.4%) and 663,075 deaths in 2022 due to a much faster population increase, the crude death rate per 1000 population decreased from 13.1 in 2002 to 8.8 in 2020. This was mainly due to the decrease in AIDS-related deaths. The massive effect of COVID-19 saw the crude death rate swing up in 2021 to 11.7. Between 2020 and 2021, 292 135 excess deaths were due to COVID-19 in South Africa.[136]

Improved Maternal Health

In 1997, South Africa was the first African country to establish a National Committee of Confidential Enquiry into Maternal Deaths (NCCEMD). The NCCEMD investigate the causes of maternal deaths and provides recommendations for prevention. All maternal deaths in South Africa are notifiable. The NCEEMD has proved to be very effective in carrying out its work, particularly in enhancing the investigation of maternal deaths.

Following a peak period of maternal mortality in 2009, which the Medical Research Council (MRC) estimated at 302 per 100,000, maternal mortality has consistently declined from 2010 to 2020. This is a result of the effective implementation of maternal health programmes and interventions to combat the impact of HIV/AIDS. However, these positive trends were dislodged by the onset of the Covid-19 pandemic in March 2020.

The 2020 NCCEMD Triennial report reflects that the institutional maternal mortality ratio (MMR) was 126.1 deaths per 100,000 live births during 2020, a 26% increase from 98.8 deaths per 100,000 live births in 2019. In 2020, there were 1,152 maternal deaths reported by the NCCEMD. The impact of COVID-19 resulted in a further MMR increase to 138 per 100,000 live births in 2021. However, with the decline of COVID-19, the MMR also declined to 109 per 100,000 births in 2022.

The Medical Research Council's Rapid Mortality Surveillance attests to this trend and reflects that the population-based Maternal Mortality Ratio improved from 267 deaths per 100,000 live births in 2010 to 109 per 100,000 in 2017. The reduction in maternal mortality is corroborated by different data sources, including the vital registration system of the Department of Home Affairs and the Medical Research Council.

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[136]   Bradshaw D, Dorrington R, Laubscher R, Groenewald P, Moultrie T, 2022

Figure 49: Estimates of MMR from various sources 1995-2017
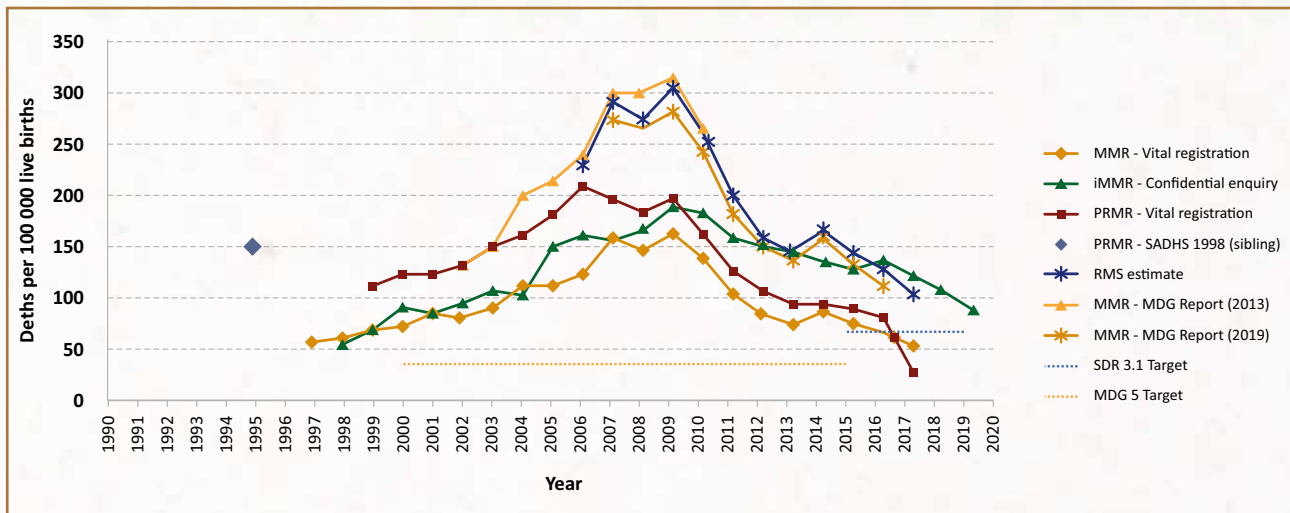
Source: Dorrington RE, Bradshaw D, Laubsher R, Nannan, N (2022): Rapid Mortality Surveillance (RMS), Report 2019 and 2020, Cape Town, South African Medical Research Council

South Africa is often described as an anomaly among developing countries because it is a developed country with good infrastructure and substantial social and economic problems . A figure of 1 183 maternal deaths is still too high for a country like South Africa. The NCCEMD Reports identify several factors contributing to this scourge, including poor quality of clinical care.

Improvements in Child Health

The HIV/AIDS epidemic has had a major impact on child health over the 30 years of democracy. This was especially prevalent in the first decade (1994-2002) when there was no ARV treatment to decrease the high rates of mother-to-child transmission of HIV. Key interventions included the expansion of access to ART for pregnant women, with the introduction and rapid scale-up of prevention of mother-to-child transmission (PMTCT) of the HIV programme. Between 2008 and 2011, the MTCT rate during pregnancy decreased from 9.6% to 2.7%, ensuring that thousands of babies did not die or suffer complications from HIV. The PMTCT programme's introduction effectively reduced mother-to-child transmission.

Over the same period, diarrhoea and pneumonia increased their impact as leading causes of child mortality until two childhood vaccines, pneumococcal conjugate and rotavirus, were introduced in the Expanded Programme for Immunisation (EPI) in 2009 and have had an immediate impact, including the hospital case fatality rates for pneumonia.

In 2020 and 2021, the COVID-19 pandemic also negatively impacted child health.

The successful implementation of the maternal, neonatal and child health programmes continued to reduce maternal and child mortality. According to Statistics South Africa (Stats SA 2022), the country's Infant Mortality Rate (IMR) is estimated to have decreased from 55.2 deaths per 1,000 live births in 2002 to 24.3 deaths per 1,000 live births in 2022. The Under 5 Mortality Rate (U5MR) is also estimated to have declined from 74.7 deaths per 1,000 live births in 2002 to 30.7 per 1,000 live births in 2022.

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[137]   Layne, V The Sound Archives At The District Six Museum: A Work In Progress

Figure 50: Infant and Under-five mortality rate, 2002 to 2022
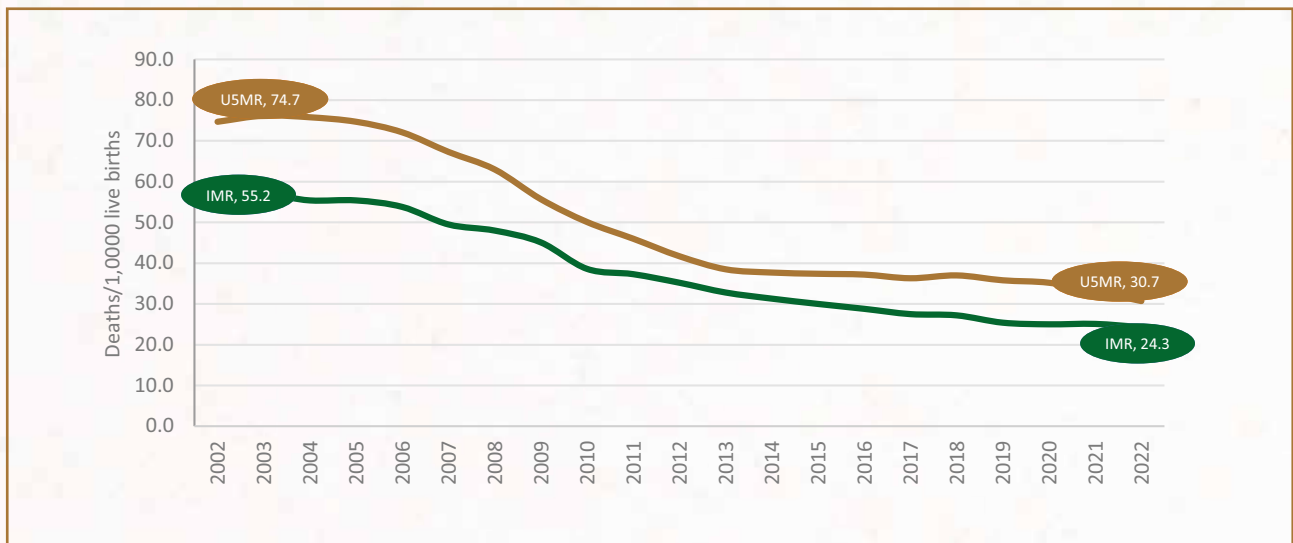
Source: Statistics South Africa, Mid-year Population Estimates, 2022

The SDGs stipulate that nations of the world must achieve an MMR of less than 70 per 100 000 live births, an Under 5 Mortality Rate (U5MR) of less than 30 per 1000 live births and an Infant Mortality Rate (IMR) of less than 20 per 1000 live births. There is optimism that the Sustainable Development Goals (SDG) targets for child mortality will be achieved by 2030. Much more work needs to be done to achieve the SDG target for maternal mortality.

By the end of March 2023, the Under-5 Severe Acute Malnutrition Fatality Rate was 6.5%, and still needed to improve in order to attain the MTSF 2019-2024 target of <5.0% by 2024.

Prevention and management of HIV/AIDS

Notwithstanding the enormous challenges posed by HIV/AIDS and COVID-19 pandemics in particular, significant progress has been recorded over the 30 years in managing communicable diseases, inclusive of HIV/AIDS and TB. The ARV treatment component was added to South Africa's HIV/AIDS response in 2004. Over the last 18 years, the country has witnessed an exponential increase in the number of people living with AIDS (PLWA) who accessed antiretroviral treatment (ART). Access to ART for PLWA increased from 45,500 in 2004 to over 5.7 million in 2022. The life expectancy of People Living with AIDS (PLWA) and the population has increased. The number of patients remaining on ART fluctuated between 5 035 291 in April 2020 and 5 217 827 in March 2022.

The number of patients remaining on ART increased from 4 949 900 in January 2020 to 5 271 827 in March 2022. The COVID-19 pandemic negatively impacted the growth of clients that remained on ART. Evidence shows that, had it not been for the COVID-19 pandemic, it was projected that South Africa would reach 5.9 million people on ART.

Figure 51: Anti-Retroviral Treatment (ART) clients remaining on ART
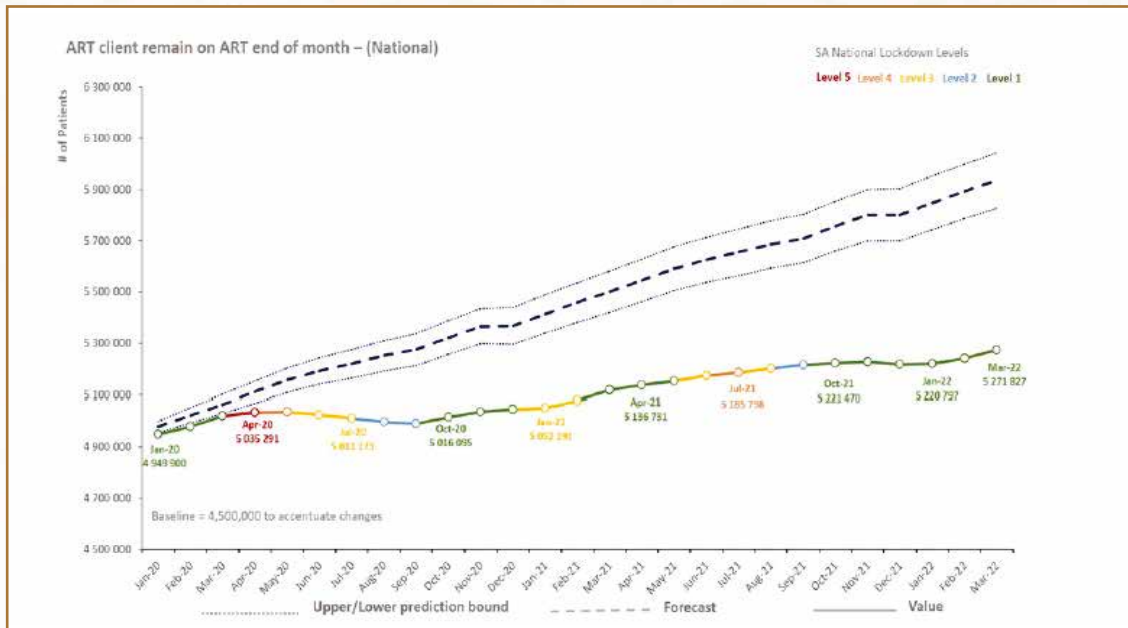
Source: Health Systems Trust, South African Health Review 2022

With 5.7 million people on ART, South Africa continues to have the most extensive HIV treatment programme in the world. However, South Africa is still behind in initiating and retaining people on ART.

Improvements in the management of Tuberculosis

Tuberculosis has consistently been the number one cause of mortality in the Stats-SA reviews of causes of death in South Africa. Since 1994, the number of TB cases diagnosed has significantly increased (on the back of the HIV epidemic) from a low level of 73 917 in 1995 to a peak of 208 032 in 2020. Improvements are further discernible in the management of TB, where the rate of new TB clients who successfully completed treatment improved from 77.5% in 2014 to 78.5% in 2020. However, these achievements are still well below the targeted treatment success rate for uncomplicated TB of 90%.

Figure 52: TB Treatment Outcomes for DS-TB Percentage
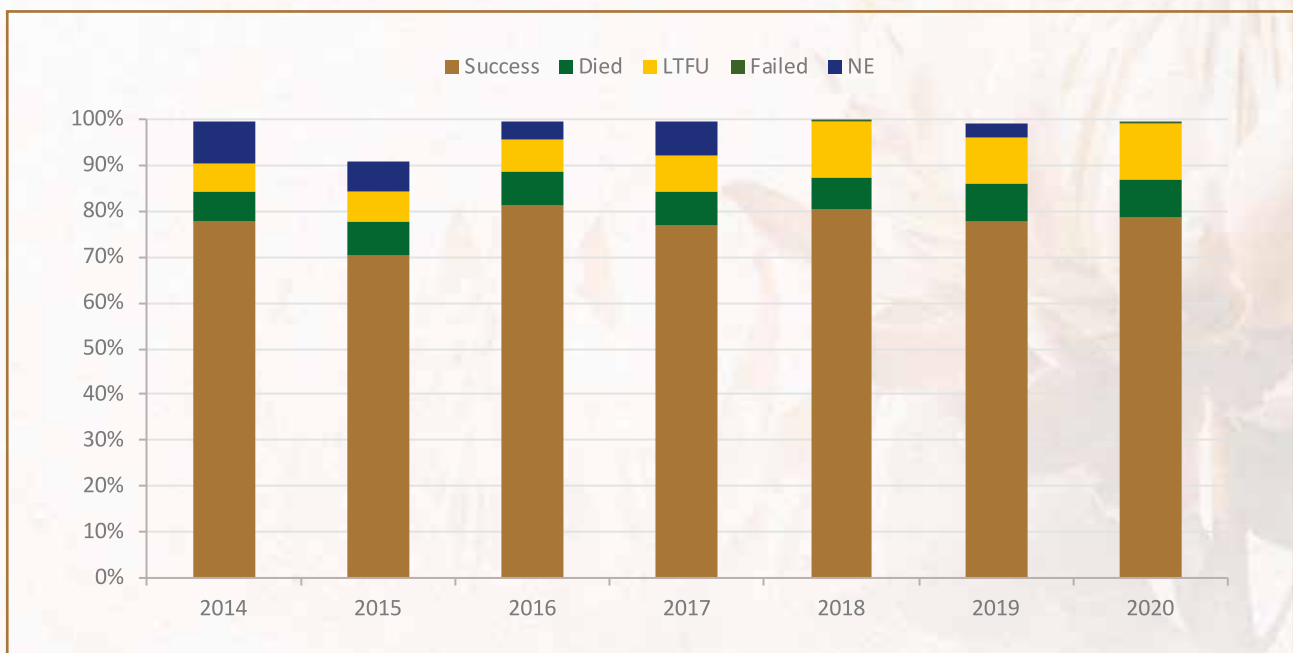
The proportion of people diagnosed with TB who died due to their TB infection increased from 6.7% in 2014 to 8.3% in 2020. Paradoxically, the total number of people dying as a result of TB decreased significantly over this period.   The 2003 TB recovery plan of the Department of Health includes the goals of strengthening the linkage from diagnosis to treatment, improving retention in care, and increasing testing to find the missing TB patients, estimated at around 80,000.

Prevention and Management of Non-Communicable Diseases in South Africa

Non-communicable diseases (NCDs) are priorities for South Africa to prioritise prevention and treatment. NCDs include diseases such as cardiovascular diseases, chronic respiratory diseases, cancers, hypertension (high blood pressure) and diabetes. They are major contributors to mortality and morbidity in South Africa. According to the South Africa Demographic and Health Survey (2016), the prevalence of hypertension has doubled since 1998, from 25% to 46% among women and 23% to 44% among men in 2016. The prevalence of chronic obstructive pulmonary disease symptoms among women and men was less than 2% in 2016. The prevalence of diabetes was 13% in women and 8% in men aged 15 years and older.

In 2022, the healthcare sector published the National Strategic Plan (NSP) for the Prevention and Control of Non-Communicable Diseases in 2022-2027. This plan is aimed at fast-tracking the response towards the prevention and control of NCDs and their risk factors, as well as mental health conditions. Implementation of this plan is envisaged to move South Africa closer to SDG 3.4 to reduce premature mortality from NCDs+ by one-third through prevention and treatment and promote mental health and well-being by 2030. Some of its key objectives include the following:

- Prioritise the prevention and control of NCDs. This includes raising awareness of the risks and impact of NCDs, strengthening the capacity of health systems to prevent and control NCDs, and promoting intersectoral collaboration to address the social and economic determinants of NCDs.

- Promote and enable health and wellness across the life course. This includes promoting healthy lifestyles, such as eating a healthy diet, being physically active, and not smoking from a young age.

- Ensure that people with NCDs receive integrated, people-centred health services.

LESSONS LEARNED FROM THE COVID-19 PANDEMIC IN SOUTH AFRICA

South Africa experienced its first case of COVID-19 on March 5, 2020. At the time, the World Health Organization (WHO) declared COVID-19 a public health emergency of international concern. By February 28 2023, the cumulative number of confirmed COVID-19 cases in South Africa had risen to 4 063 323, with 3 946 943 recoveries (a 97.1% recovery rate) and 102 595 Covid-related deaths. This translated into a Case Fatality Rate (CFR) of 2.5%. South Africa's COVID-19 recovery rate outperformed the global average. However, the country's CFR was above the international trends.[138]

The government also implemented a national vaccination campaign, launched on February 17, 2021, nearly a year after the start of the Epidemic, primarily due to difficulties in accessing the vaccine. Approximately 1.25 million healthcare workers were the first to get the Covid-19 vaccine. By August 14, 2023, 22,804,838 people had been vaccinated, with 39 102 367 vaccine doses administered and over 50% of the adult population reached.

The country's national COVID-19 response provided invaluable lessons in effective leadership at political and technical levels, evidence-based decision making, and coordination within and between government and non-government actors. All these, supported by the responsiveness of citizens at critical moments, ensured effective country-level responses when confronted with pandemics. The COVID-19 response enjoyed effective leadership at the highest level of government by the President, the National Coronavirus Command Council (NCCC) and Cabinet, chaired by the President. In addition, the Deputy President facilitated a range of societal engagements that galvanised the all-of-society response – including traditional leaders, inter-faith leaders, communities, NEDLAC, etc. and also an Inter-Ministerial Committee on Covid-19 Vaccination Programme. As reflected in the DPME's 2020 report on measures the South African Government implemented to combat the coronavirus disease (COVID-19) during the disaster phase, the NATJOINTS, NCCC and Cabinet made decisions and implemented them quickly.

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138   https://www.worldometers.info/coronavirus/country/south-africa/

This marked a significant departure from the protracted bureaucratic processes characteristic of the public sector. Illustrations of the quick decision-making processes included the creation of a new temporary grant called Special COVID-19 Social Relief of Distress, valued at R350 per beneficiary, targeting individuals who were unemployed and not beneficiaries of social grants or social insurance. The establishment of the Solidarity Fund, which raised over R4 billion to help fight against the pandemic, demonstrated provided an effective vehicle to pool resources between government, business and civil society. The country tapped on its industrial innovation capabilities to produce personal protective equipment, ventilators and vaccine development and manufacturing, among others. Furthermore, the closure of schools by the government on March 18, 2020, served as an effective measure to slow the spread of the virus and simultaneously create space for the sector to prepare itself to manage the COVID-19 pandemic.

Another significant lesson from COVID-19 is that South Africa needs to develop and implement a national integrated pandemic preparedness, prevention, management, and response strategy.

LESSONS LEARNED FROM THE CHOLERA OUTBREAK IN SOUTH AFRICA

In May 2023, the National Institute for Communicable Diseases (NICD) confirmed the cholera outbreak in Hammanskraal township, City of Tshwane Metropolitan District, in Gauteng Province. Four other provinces subsequently reported confirmed cholera cases: Free State, Limpopo, Mpumalanga, and North West.

As with the COVID-19 pandemic 2020, leadership and technical intervention structures were immediately activated to curb the cholera outbreak. Effective and visible leadership was provided by the Deputy Ministers of Health, Water and Sanitation and Cooperative Governance and Traditional Affairs, ensuring oversight over Technical Committees tasked with responding to the outbreak. This included a committee of Directors-General (DGs) as well as Provincial Outbreak Response Teams from all 5 affected provinces, activated as of May 19 2023. The Deputy Ministers were also visible at the community level, inspecting health facilities and sources of water and providing support to affected families. The government's social partners, such as the United Nations Children's Fund (UNICEF) and Doctors Without Borders, also provided technical support in response to the cholera outbreak in the affected provinces. Through collaboration between the health care sector, the Department of Water and Sanitation and critical social partners, various interventions were implemented, including prevention of new cholera infections, active case finding, treatment of affected community members, regular testing of water samples, and provision of clean water to affected communities.

The spread of cholera was contained through the collaboration of all stakeholders in the healthcare sector. One of the critical lessons learnt from the cholera outbreak is the importance of addressing the social determinants of health, which are services outside the health sector that significantly influence health outcomes. These include the provision of clean water and proper sanitation to communities.

LESSONS TOWARDS VISION 2030

National Health Insurance

Expediting the finalisation, promulgation, and implementation of the National Health Insurance (NHI) Bill 2019 is essential. This is crucial for achieving universal health coverage nationwide, benefiting all 62 million South Africans, not just the 15.8% who are members of a medical aid scheme. The NHI, if implemented inclusively and ensuring that the legitimate concerns of key stakeholders are considered, can be an equaliser based on social justice and social solidarity principles. The following steps include improved communication between stakeholders, including the national DOH and the National Treasury, to ensure that the required finances are aligned with the implementation plans. The NHI Fund must then be established, and its capacity for purchasing health services built. The healthcare sector must implement effective accountability systems, including an active monitoring and evaluation system to track the functioning of the Fund.

Developing and implementing an Equity Gauge through partnerships with academic institutions and civil society is necessary to tackle the variations in health outcomes across provinces and districts. This will assist in tracking equity in service provision across the country.

Improving Quality of Care

Develop and adopt a National Framework for Quality Improvement in the public sector that is publicly visible to enable and support the creation and execution of Provincial, District, and Health Facility quality improvement plans. This framework should be as impactful and extensive as the Batho Pele Programme but specifically focused on the health sector. An effective monitoring system needs to be developed to track the implementation of quality improvement plans at the sub-national levels of the health system.

It is also important to achieve consensus with the Office of Health Standards Compliance (OHSC) on using valid and reliable measurement tools to assess health establishments' functioning in the public and private sectors. Lastly, there is a need to enhance the capacity of the OHSC to regularly evaluate and report on the functionality of public and private health facilities.

Human Resources for Health

Evaluate the implementation of the Human Resources Strategic Plan for 2019/20-2024/25, explicitly focusing on access to health care and health outcomes, and mainly focusing on the effect of introducing 5300 additional health care providers to the public sector in 2019. Additionally, develop and implement capacity enhancement programmes for District and Frontline Health Service Managers in the public sector in collaboration with academic and research institutions. It's also crucial to delegate appropriate authority to these capacitated District and Frontline Health Service Managers to enable them to make local decisions and be accountable for those decisions. Finally, complete the development of the employment model for Community Health Workers (CHWs) who support the delivery of community-based Primary Health Care (PHC) services.

Medico-Legal Claims

Finalise and implement the reforms proposed by the South African Law Reform Commission. In addition, implement, monitor, and report on the health sector's three-pronged medico-legal strategy. This strategy includes interventions to improve administration, quality of care, and legal measures to prevent adverse events that lead to medico-legal litigation. Further, enhance the implementation of alternative dispute resolution measures in medico-legal cases. Lastly, encourage ethical conduct and vigilance among healthcare providers to minimise fraudulent medico-legal cases and ensure the reporting of such cases to law enforcement agencies.

Strengthening information systems

Accelerate the design and implementation of the electronic Health Record, which is crucial for the National Health Insurance (NHI) dispensation. It is also essential to ensure the attainment of a comprehensive and seamless National Health Information System. This can be achieved by establishing interoperable information systems by provincial departments, districts, municipalities, and the private health sector (including both private-for-profit and private-not-for-profit entities) by enforcing the implementation of

Section 74 of the National Health Act of 2003. Furthermore, it secures accountability for service delivery and health outcomes across the health system. This involves prescribing the categories of data to be collected and submitted, as well as the format in which these should be forwarded to the national Department by provincial departments, districts, municipalities, and the private health sector (both private-for-profit and private-not-for-profit), per Section 74 of the National Health Act of 2003.

Enhance the responsiveness of the health sector to community needs.

Facilitate community participation, especially among poor and marginalised groups, to ensure strengthened accountability for providing quality health services. Over the 5 years from 2024 to 2029, the health sector must reorient itself to the ideals of community participation and responsiveness to community needs, reminiscent of the approach prevalent in the first decade of democracy. Revive and revitalise existing governance structures such as Clinics and CHC Committees, which have reported a growing social distance between health services and their communities and assign them significant roles in articulating community needs. Additionally, the long lead period between the expiry of the term of office of governance committees and the appointment of new structures should be reduced. Clinic and CHC Committees, as well as Hospital Boards, should be established and provided with support to render them fully functional.

Improve resource allocation to the health sector.

The health sector is experiencing severe financial distress due to the rapid expansion of access to services, population growth, and immigration. Despite the country's economic challenges, protecting the health sector from deep budget cuts is crucial, considering the ever-increasing demand for healthcare services, including community-based services. Although the improved financial audit outcomes for the 2022/23 period are encouraging, the health sector must continue to enhance its financial management capabilities. This effort is critical to ensure all 10 Health Departments receive an unqualified audit opinion by 2029.

Health Programmes

Design and implement tailor-made interventions to support districts burdened heavily by diseases. This support should specifically target districts with the highest incidence of severe acute malnutrition (SAM); an excessive number of deliveries to young girls aged 10-19, indicative of high rates of teenage pregnancies, which are influenced by social determinants of health; high HIV rates of people lost to follow-up (LTFU); and low Tuberculosis treatment success rates, which are further compounded by high LTFU rates.
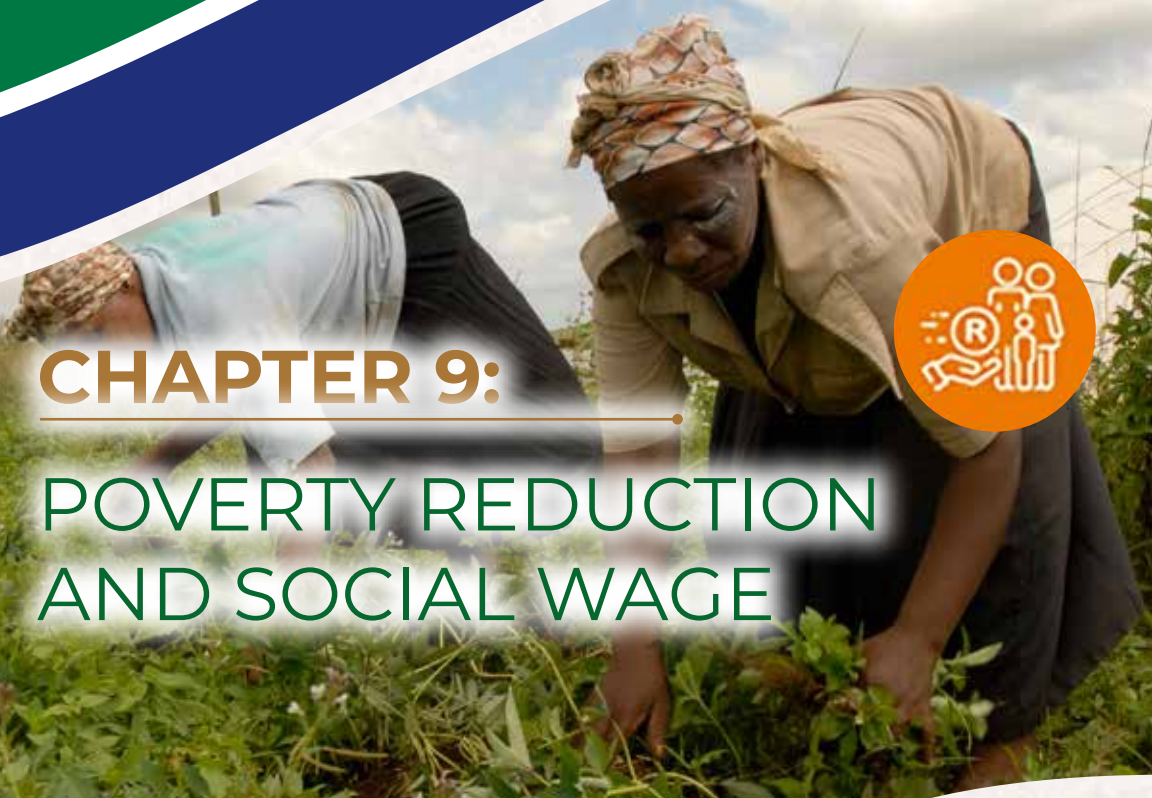
CHAPTER 9:

POVERTY REDUCTION AND SOCIAL WAGE

This chapter assessed progress on poverty reduction as a collective outcome of government policies, including social wage. The Social wage/protection is a set of policies and programmes designed to build capabilities, bolster resilience against shocks and reduce/prevent poverty and vulnerability. For each of the social wage elements, this chapter gives a thirty-year account of what the democratic state inherited, the key commitments made in policy pronouncements, key milestones that have been achieved. Accordingly, the role and contribution of non-state actors is deliberated upon and recommendations for the future are proposed

South Africa's social protection is based on a hybrid model of strategies that: protects the vulnerable and those at risk, builds capabilities, and enhances economic inclusion throughout the various stages of life. The elements of the Social Wage include:

- Social security (social assistance and social insurance).
- Social services (Social Welfare, Early Childhood Development, National Health Insurance, Housing, Free Basic Services, No Fee schools, Scholar Transport, School Nutrition, Sanitary Dignity).
- Public and social employment programmes.

The following elements of the Social Wage will receive limited coverage in this chapter because they are covered extensively in other chapters: National Health Insurance, Housing, Free Basic Services, No-Fee Schools, Scholar Transport, School Nutrition, and Sanitary Dignity.

Colonialism and apartheid engineered policies that led to high levels of unemployment, illiteracy and poverty, extreme inequality, and social disintegration. Using a poverty line of R322 per month (in 2000 prices, adjusted for provincial cost of living differences), at least 58% of all South Africans lived below poverty line, mainly black people, compared to less than 1% of whites living below the poverty line[139]. The poorest 40% of households in South Africa earned less than 6% of total national income, whilst the richest 10% earn more than half of the national income[140].

The social welfare system was fragmented, based on race, gender, and geographical location[141]. Welfare policies, legislation, and programmes were inequitable, inappropriate, and ineffective in addressing poverty and basic human needs[142]. Direct results of this were:

- Fragmentation: The public sector was fragmented across eleven systems of government and administration, with deliberate unequal and under-resourced public services in the black urban locations and in the Bantustans - Transkei, Bophuthatswana, Ciskei, Venda, Gazankulu, KaNgwane, Kwa-Ndebele, KwaZulu, Lebowa, and QwaQwa. There was a lack of inter-sectoral collaboration. The social service delivery system was organised along specialist lines and followed a holistic approach. Some social workers were trained and practised community development, but the approach to service delivery was largely rehabilitative, relying on institutional care and was not preventative nor developmental. This fragmentation was also reflected in the social welfare legislation and a lack of enabling legislation.

- Unequal funding: The budget for welfare services for whites was higher than that for the majority Africans and the available grants for whites were more abundant than those for black people.

- Inadequate provision: Welfare services were not accessible and responsive to the needs of all people. There was and still is a lack of personnel to address needs, especially in provinces with large rural areas. Some categories of personnel were underutilised - a significant proportion of existing personnel were not trained in the developmental approach.

- Lack of participation and non-response: Citizen and stakeholder participation in decision-making regarding social welfare policies, programmes, and priorities were not exercised fully and effectively. This resulted in a lack of legitimacy in the welfare system.

139   Ozler B, Not Separate, Not Equal: Poverty and Inequality in Post-apartheid South Africa 2007.
140   1997 White Paper of Social Welfare.
141   Republic of South Africa. Towards a Twenty-five Year Review: 1994-2019.
142   Republic of South Africa. Towards a Twenty-five Year Review: 1994-2019.

- Lack of sustainable financing: In the past, social welfare programmes were not considered to be critical social investment priorities and thus were under-resourced.

The system of provision for young children was extremely unequal. While white preschools were well funded and, in some cases, even provided for by government, the rest relied on limited community-based and fee-paying educare centres for children from three to six years[143].

OVERRIDING NATIONAL ASPIRATIONS

The aspiration of the country as it relates to the Social Wage was articulated in various policy documents including the RDP White Paper (RDP); the Constitution and then further elaborated upon by the National Development Plan 2012 (NDP).

The (RDP) was adopted in 1994 as a policy framework for integrated and coherent socio-economic progress. The RDP aimed to mobilise all people and country's resources toward the final eradication of the effects of apartheid. The RDP stated that, "no political democracy can survive and flourish if the mass of our people remains in poverty, without land, and without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government" (1994:7). The proposed five major policy programmes to achieve this were (i) Meeting basic needs of people: jobs, land, housing, water, electricity, telecommunications, transport, a clean and healthy environment, nutrition, health care and social welfare; (ii) Developing human resources: the people must be involved in the decision-making process, in implementation, in new job opportunities requiring new skills, and in managing and governing society; (iii) Building an inclusive economy; (iv) Democratising the state and society, and (v) Implementing the RDP through the establishment of effective structures in government (national, provincial and local level).

The 1996 Constitution of the Republic of South Africa[144] elaborates on the vision for South Africa in relation to the social wage. Chapter 2, the Bill of Rights, enshrines the rights of all people in the country as follows - Everyone has a right to:

- An environment that is not harmful to their health or well-being (Clause 24);
- Adequate housing (Clause 26);
- Health care services, including reproductive health care; sufficient food and water; and social security, including, if they are unable to support themselves and their dependants, appropriate social assistance (Clause 27).

The Constitution requires the state to "take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights to".

In addition to the Constitution and the RDP, the NDP further articulates the social protection vision of the country. Adopted in 2012 as the country's long-term socio-economic strategic framework, it aligns the country's planning with international commitments such as Millennium Development Goals (MDGs), the United Nations' Sustainable Development Goals (SDG), and the African Union's Agenda 2063[145]. The NDP's chapter on social protection, outlines a plan for building a caring nation that has a defined social minimum or social floor prescribing a standard of living which no one should fall below. Social protection measures are planned to cover the entire life cycle of individuals from conception including ensuring that pregnant mothers have adequate nutrition up to old age. The measures include developmental strategies to promote social and economic integration throughout the lifecycle of those who are vulnerable and at risk.

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[143] http://www.scielo.org.za/scielo.php?script=sci_arttext&pid=S2223-76822019000100045#:~:text=BACKGROUND%3A%20In%201994%2C%20the%20African,unequal%20countries%20in%20the%20world.
[144] Republic of South Africa. The Constitution, Act 108 of 1996. www.gov.za
[145] The National Development Plan 2030: Our Future Make- it Work. (2012) Republic of South Africa. www.gov.za

LEGISLATION, KEY POICIES AND PROGRAMMES

In response to a history characterised by dispossession, inequalities of services, benefits and treatment, the democratic government overhauled a myriad of racist legislation. Several policies and programmes to transform people's lives, effect redress, justice, equity and poverty eradication, were introduced.

Supported by the RSA Constitution as a base document that anchors the entirety of the social wage and support for the advancement of the fundamental human rights, overarching policies and legislative frameworks were introduced. Policy and legislation passed to improve well- being of populace and establish a foundation of developmental social welfare minimum norms and standards for all nine provinces include:

- The 1994 White Paper on Population and Development which places emphasis on the shift to a sustainable human development paradigm with population at the centre of all development strategies

- The 1997 White Paper on Social Welfare called on the populace to codevelop together with the state, an equitable, people-centred, democratic, and appropriate social welfare system.

- The White Paper on Families revised in 2013 seeks to mainstream family issues into government-wide, policy-making initiatives and to foster positive family well-being and overall socio-economic development in the country.

Legislation passed to protect the most vulnerable include:

- The Social Service Professions Act 110 of 1978 as amended: This Act legislates the registration of social and associated workers; and for control over the profession of social work.

- Child Justice Act 75 of 2008 aims to establish a criminal justice system for children, who conflict with the law and are accused of committing offences, in accordance with the values underpinning the Constitution and the international obligations of the Republic.

- The Children's Act 38 of 2005 sets out principles relating to the care and protection of children. The Children's Amendment Act of 2023 amends and inserts certain definitions to provide for the Children's Rights to privacy and protection of information; provides for: (i) the rights of unmarried fathers; (ii) extension of childhood development programs; (iii) designation of functions for a register of the National Child Protection Register; (iv) care of abandoned orphaned children and additional matters that may be regulated; (v) rules relating to care and protection proceedings; (vi) medical testing of children in need of care and protection or adoption; (vii) matters relating to adoption and intercountry adoption; (viii) hearing of child abduction matters; (via) surrogate motherhood.

- The Older Persons Act 13 of 2006, the South African Policy for Older Persons and the accompanying South African Plan of Action were developed to place older persons high on the country's agenda and emphasises the protection, care, support, and development of older persons as a joint responsibility between government, civil society, and the corporate sector.

Others key pieces of policies and legislation that supported transformation of the social developmental welfare space include the National Drug Master Plans iterations first developed in 1999 aims at outlining all national concerns in drug control and summarising national policies, and priorities for drug control; the Anti-substance Abuse Policy; the National Policy Guidelines for Victim Empowerment etc.

International Instruments on Social Protection that South Africa adopted and or ratified post-1994 include the Universal Declaration of Human Rights (1948) - Articles 22 and 25 of the Universal Declaration of Human Rights (1948); Convention of the Rights of the Child; the Social Protection Floors Recommendation (2012)[146]; the Millennium Development Goals and the Sustainable Development Goals.

Provision to Non-Profit Organisations (NPOs) who assist in delivering welfare services is enabled by the NPO Act 71 of 1997 as amended and supported by the National Development Agency (NDA) established through the NDA Act of 1999 to promote an appropriate and sustainable partnership between the Government and civil society organisations to eradicate poverty and its causes.

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[146] International Labour Organization (2021). Africa Regional Social Protection Strategy, 2021-2025.

## MAJOR MILESTONES AND ACHIEVEMENTS

In examining the poverty and inequality trends, it's evident that while South Africa has made some strides with the social wage, there's still a considerable journey ahead. The trends in money-metric and multidimensional poverty reveal differentiated progress in poverty reduction. Notably, there has been a significant decrease in multidimensional poverty. However, the decline in extreme money-metric poverty has been much less pronounced. Inequality has remained persistently high in South Africa, with only small decreases between 2006 and 2015.

Poverty

Progress has been made in reducing the Multidimensional Poverty Index (MPI) since 1994 through near-universal access to primary education and increased access to basic services, including telecommunications, water, sanitation, and electricity (World Bank, 2018). MPI is a composite measure that considers deprivation or access to basic needs, incomes, infrastructure, human capabilities, assets, and opportunities (Stats SA, 2014). Since 2001, South Africa has significantly reduced its Multidimensional Poverty Index (MPI). Specifically, the headcount ratio of those considered multidimensionally poor has decreased from 17.9% in 2001 to 6.3% in 2016. This represents a reduction of nearly two-thirds in the proportion of the population of that cohort. Furthermore, the intensity of the deprivation faced by those considered multidimensionally poor decreased by 4.1% between 2001 and 2016. This indicates that even for those individuals who remain classified as multidimensionally poor, the extent of their poverty has slightly decreased over the period in question. Living standards also improved. There has been a decline in the poorest LSM Categories from 40% to 10%.

Figure 53:
Multidimensional
poverty index
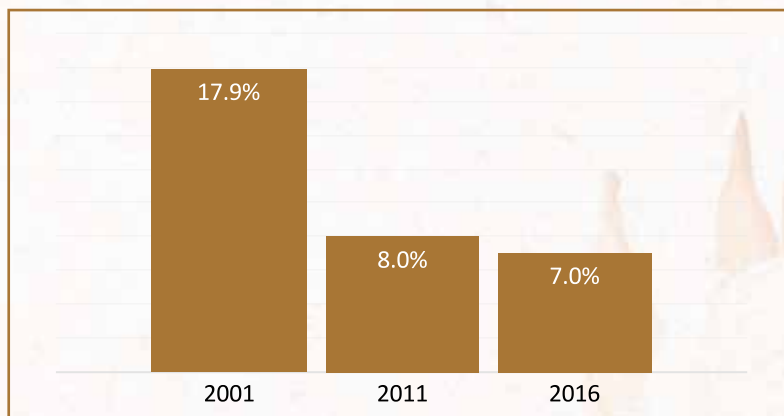
Source: Stats SA

Figure 54: Living Standards Measure
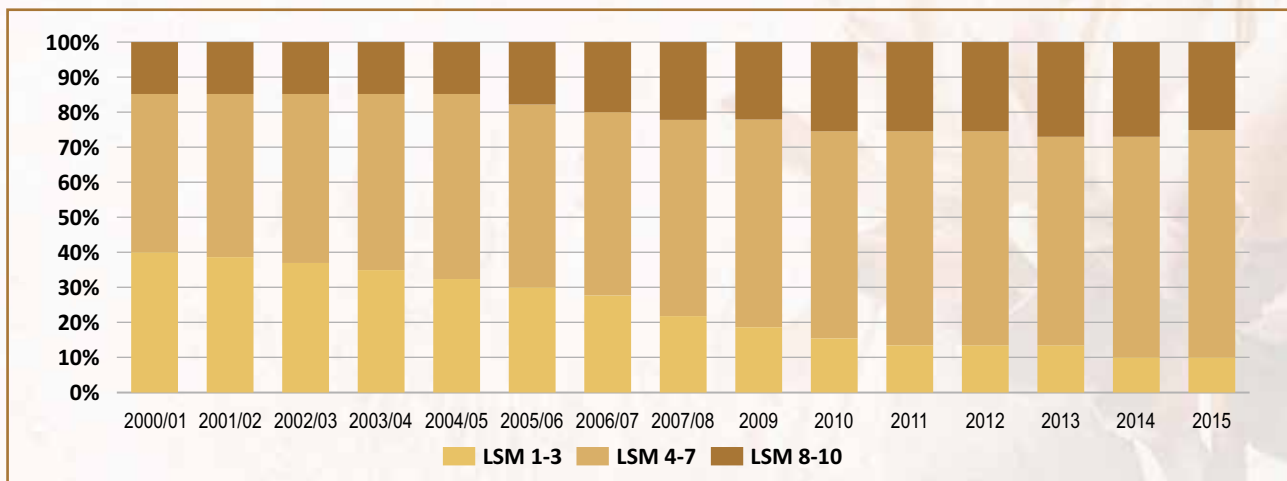
Source: DPME Development Indicators 2023.

Inequality

South Africa is often considered one of, if not the most, unequal countries globally. As a result, a key policy priority for the South African government has been to tackle inequality. The South African government committed to reducing inequality, as measured by the Gini coefficient, to 0.6 by 2030 (NDP, 2012). Overall, the estimates of the Gini coefficient, has decreased only slightly from 2006 to 2015. In per capita expenditure it declined from 0,67 to 0,64 and as per capita consumption it declined from 0,72 to 0,68. This indicates progress. However, inequality still remain stubbornly high and racially skewed.

Figure 55: Income and expenditure estimates of the Gini Coefficient, 2006-2015
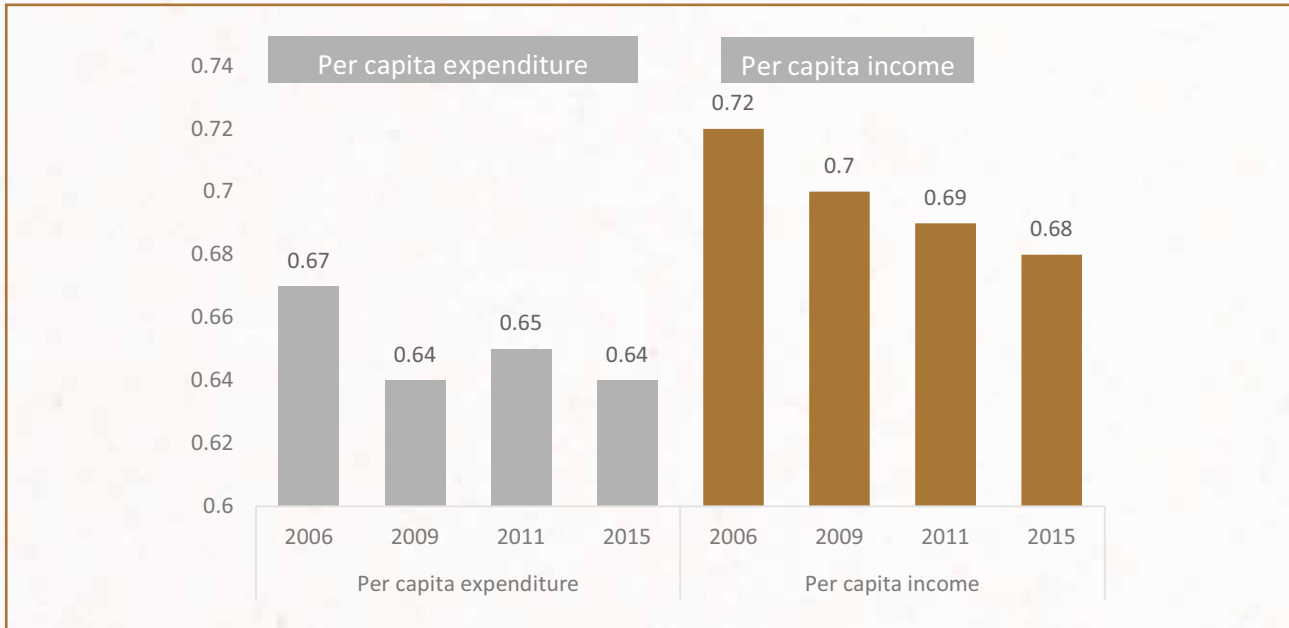
Source: Statistics South Africa (2017)

Social Assistance

Figure 56: Impact of Child Support Grant on child poverty
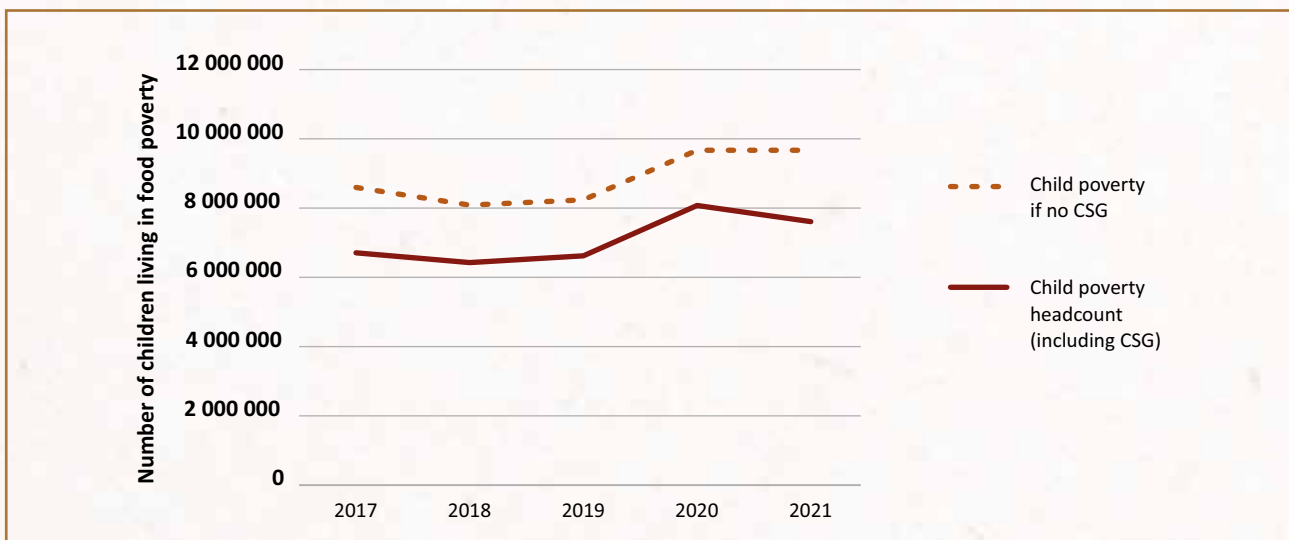
Source: DSD 2023

The social grants programme is one of government's most effective anti-poverty tool. Using the child support grant as an example, studies conducted over the two decades have shown that the receipt of the CSG is associated with a decline in poverty incidence, gap and depth as well as improved nutritional, and health outcomes for children including reduced levels of stunting. Simulations done indicate that because of the child support grant 2 million children are lifted above poverty (see figure 7).

Equalisation of the values of the grants: Differences in value of grant were levelled off such that by 1993, the grants were mostly equal value: Figure 2 shows that there the grant for white people more than halved in value from a high of R8 000 per annum in 1976 to its 1990 value of R3 600 (in 1990 rands). The level of the grant for coloured and Indian people stayed much the same over the same 20 years, with a gradual decrease in value.

Figure 57: Average annual value of State Maintenance Grant1960-1990 (In 1990 Rands)
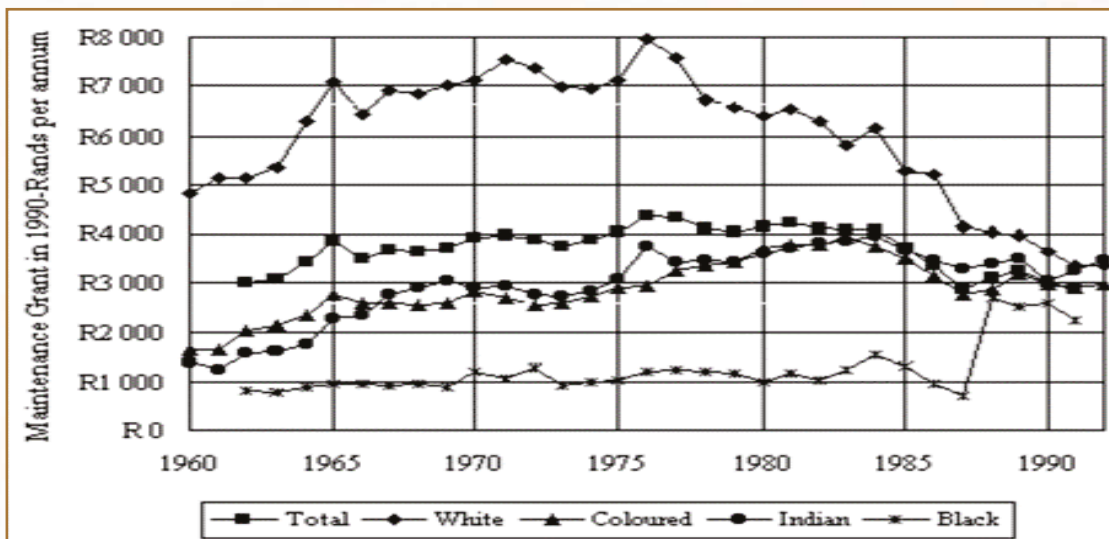
Source: Lundt Commission report, 1996

Increase in access: In 1995/96 social grants were paid to 2.5 million people, mostly elderly and persons with disabilities, with approximately 400 000 of these beneficiaries in receipt of the State Maintenance Grant (SMG) which was replaced by the Child support grant in 1998. Access was unequal for the majority of African children, especially those in the towns and rural villages of former homelands. The social assistance program has grown substantially in 30 years, the following grants are paid monthly: Foster Care Grant; Child Support Grant; Care Dependency Grants Old Age grant; War Veterans Grant now paid to less than 25 people; Grant in Aid; Disability Grant and most recently due to the COVID19, COVID19 Grant, a temporal grant for able bodied working age unable to support themselves. The grant program in 2023 reaches more than 18 million people and if COVID19 grant recipients are included 27.7 million - see table 1.

Table 17: Social Grants 2022-2023 per share of the population

Region	Social Relief of Distress Grant (Approved - September 2023	Grants September 2023	TOTAL	StatsSA Census 2023	% Share
Eastern Cape	1 176 232	2 887 983	4 064 215	7 230 204	56%
Free State	527 987	1 061 020	1 589 007	2 964 412	54%
Gauteng	1 562 438	2 999 539	4 561 977	15 099 422	30%
KwaZulu Natal	2 136 685	4 193 911	6 330 596	12 423 907	51%
Limpopo	1 043 938	2 740 501	3 784 439	6 572 720	58%
Mpumalanga	733 937	1 633 879	2 367 816	5 143 324	46%
North West	639 354	1 327 564	1 966 918	3 804 548	52%
Northern Cape	178 296	537 600	715 896	1 355 946	53%
Western Cape	617 583	1 685 839	2 303 422	7 433 019	31%
Grand Total	**8 616 450**	**19 067 836**	**27 684 286**	**62 027 502**	**44,63%**

Source: SASSA 2023

The increase is a function of growth in access, increase in population and joblessness.

Uniformity in the delivery of social grants across the 9 provinces: To ensure uniformity in the delivery of social grants across the 9 provinces, the South African Social Security Agency (SASSA) was established in 2006 in terms of the South African Social Security Agency Act 9 of 2004. Its premise is the centralisation of provision of social security assistance (formerly a primarily provincial function); to reduce corruption and improve service delivery in the distribution of social grants on behalf of the Department of Social Development. In terms of this Social Assistance Act 2004 and its regulations, SASSA shall pay a social grant into a bank account of the beneficiary or institution where the beneficiary resides: provided that (i) the beneficiary of the social grant has consented to such payment by electronic communication or any means of communication and has submitted such consent to the Agency; (ii) where a beneficiary is unable to submit the consent contemplated in subparagraph (i) alternative arrangements must be made with the Agency; or (b) by the payment method determined by the Agency. Social grants recipients thus have the option to choose the bank of their choice or opt for the method determined by SASSA. The Independent Tribunal for Social Assistance Appeals was established in 2008 in terms of section 18 of the Social Assistance Act, 2004, to give effect to section 33 of the Constitution of South Africa (Right to Administrative Justice). The Tribunal is responsible for considering social assistance appeals received from applicants or beneficiaries who disagree with a decision made by SASSA relating to their grant application or review. Before its establishment, the adjudication of social assistance appeals was disseminated to Provinces and there were inconsistencies in the manner and quality of how appeals were adjudicated. At establishment in 2008, the Tribunal had a backlog of more than 60 000 appeals emanating from 9 Provinces and Litigation Costs escalating. The Tribunal had to increase the turnaround times for the adjudication and finalization of appeals within a 90-day period to ensure timeous access to administrative justice and had to decrease the expenditure in relation to litigation costs emanating from non-compliance to the 90-day turnaround time. Over the past years the Tribunal has managed to improve efficiency - The turnaround times for the adjudication of appeals within the 90-day period rose from below 50% to more than 90%. This resulted in increased access to administrative justice to service recipients and a reduction in litigation costs emanating from the previous non-compliance to the 90-day turnaround time.

Social Insurance

The Unemployment Insurance Fund (UIF)

Expansion of coverage to categories of vulnerable workers: The Unemployment Insurance Fund Act of 2001 repealed the erstwhile legislation, namely Unemployment Insurance Act of 1966 and The Unemployment Insurance Fund Act of 1946. UIF has always been financed mainly by compulsory contribution from employers and employees to serve as a short-term insurance scheme for employees. Almost all employees in South Africa who earned less than R 40 248 per annum (this ceiling came into force on 1 May 1990), except those in agriculture, domestic servants, and seasonal workers, were compelled to contribute to the Fund.

The 2001 legislation and expanded the pre-existing provisions to also cover various categories of vulnerable workers such as farm workers and taxi drivers, and the subsequent Unemployment Insurance Amendment Act 32 of 2003 extended it further from April 2003 to include domestic workers.

Expansion of benefits: A flat rate of 66% for maternity benefits was introduced, and so was an extension of the window of application for unemployment benefits from 6 months to 12 months, dependent benefits' window of application extended from 6 months to 18 months, and the benefit credit days were extended up to a maximum of 365.

Improved efficiency and effectiveness: To improve efficiency the business blueprint for the Integrated claims management system (ICMS) was developed. By 2019, the fund also improved from an entity that depended on state guarantee in the early mid-1990s to one with assets more than R150 billion. During the Financial and Economic Crisis of 2008, a Framework for South Africa's response was developed. One of its interventions was the training layoff scheme which helped avoid job losses, de-industrialisation and rebuilt local industrial capacity. This scheme has since been renamed the Temporary Employee/ Employer Relief Scheme (TERS) streamlining the Adjudication Committee into a single committee to swiftly process[147] applications, thus reducing the processing of applications for funding of training programmes from 3 months to 15 days. The TERS programme, had paid out nearly R60 billion by March 2021.

Compensation for Occupational Injury and Disease Act (COIDA)

The first Workman's Compensation Act (WCA) was passed in 1914 (Katz; 1994). Prior to the passing of the Act, employees injured at work had to institute a common law suit against the employer for negligence. Compensation would only be paid if fault could be laid directly with the employer. Additionally, the 1934 International Labour Organisation (ILO) Convention of 1934 (Unemployment Provision Convention, 1934 (No. 44) became instrumental in ensuring the protection of workers against possible loss of income due to unemployment (short and/or long term) due to injuries and/or diseases. Subsequently, in 1993, South Africa implemented the Compensation for Occupational Injuries and Diseases Act (COIDA) No 130 of 1993 as amended by Act 61 of 1997. COIDA exists to mitigate harm caused by the lack of compliance to Health and Safety Regulations by some employers (Maseko, 2016), the lack of monitoring/inspections as well as hostile and harsh working environments. To improve efficiency of the fund the following systems were introduced: e-COID for faster Employer Registration; Umehluko claims management system for faster resolution and payment and the Claims Management system (COMPEASY). Additionally, services were decentralised through labour centres. Between 01 April 2008 and 31 March 2023, the Compensation Fund received 2 509 498 claims which were registered. A liability was accepted for 2 179 645 (87%) of these received claims. By accepting liability, it implies that the claims are genuine. Almost 2% (42 964) claims were rejected while 11% (281 803) could not be finalised due to incomplete information[148].

The Road Accident Fund (RAF)

RAF was established by the Road Accident Fund Act, 1996, as amended and started operation on 1 May 1997 following the closure of the Multilateral Motor Vehicle Accident Fund. The RAF is responsible for providing compulsory social insurance cover to all users of South African roads; to rehabilitate and compensate persons injured as a result of the negligent driving of motor vehicles and to promote road safety in South Africa. The RAF covers citizens of South Africa and visitors. The Fund has paid 3 344 claims from 2012/13 and by 2017/18 reached 20 399 claimants. 89 561 beneficiaries have been supported by the RAF over the past three years[149].

Retirement Reforms

The South African pension system has undergone reforms that can be categorized into 4 phases namely infancy (1911-1958), institutionalisation (1959-1984), separation and its continuation (1985 - 1994), and corporatisation and amalgamation (1995–2016). Each phase points to changes in the legislation, structure and systemic changes governing pension funds. Exempt Funds were changed to Underwritten Funds, and Bargaining Council Funds were established, previously known as Industrial Agreements. Accordingly, the Government Employees Pension Fund (GEPF) was established with a merger of all state funds[150]. Furthermore, the Pension Funds Amendment Act 65 of 2001 was recently introduced the "two-pot" retirement system.

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147 South Africa Covid-19 Country Report: First Edition. June 2021.
148 Republic of South Africa. Department of Employment and Labour. www.labour.gov.za
149 Road Accident Fund (2019). www.raf.gov.za
150 Moleko, N. & Ikhide, S. (2017). Pension Funds Evolution, Reforms and Trends in South Africa. International Journal of Economics and Finance Studies Vol 9, No 2.

The two-pot system is aimed at providing greater clarity and flexibility for retirement fund members. The amendments enable South Africans to save for non-retirement purposes (e.g. emergencies) via their retirement funds, whilst preserving more of their savings for retirement. These amendments aim to encourage members to preserve their retirement savings by making it more flexible to accommodate unforeseen pressures that members face during the span of their working life[151].

Social services and Developmental Social Welfare

From Social Welfare to Social Development: As guided by the White Paper on Social Welfare of 1997, the department was renamed from the Department of Welfare to the Department of Social Development in July 2000 to give effect to the social transformation agenda. This included (i) creating a better life for the poor, vulnerable and excluded people in the society; (ii) reducing poverty and promoting social integration - developing and monitoring the implementation of social policy that both creates an enabling environment for and leads to the reduction in poverty (iii) ensuring the provision of social protection and social welfare services to all people.

Substance Abuse

A Central Drug Authority (CDA) was established in terms of the Prevention of and Treatment for Substance Abuse Act of 2008. Important pillars of the NDMP are demand, harm and supply reduction[152]. Campaigns aimed at reducing the harm caused by and the demand for drugs include the 'Ke Moja' (I'm fine without drugs) awareness campaign conducted through print media, radio, cell phones through which over 20 million individuals were reached. The anti-substance abuse education and awareness campaigns at institutions of higher learning have been implemented since January 2014.

Gender-based violence care and support

Since the establishment of the Constitutional democracy, government implemented various initiatives for curbing gender-based violence. The most relevant for social protection include: (i) establishing the award winning GBV command centre in 2014. The centre deals with a variety of emergencies such as sexual assault, physical violence, rape, abandonment of children and various other forms of abuse (ii) expanding with partner organisations, GBV shelters and drafting minimum norms and standards governing them, (iii) Thuthuzela Care Centres and Victim-friendly Rooms to provide accommodation to victims of GBVF, to reduce secondary victimisation and to build a case ready for successful prosecution. Post the GBVF summit of 2022, the National Strategic Plan against GBVF was finalised and its implementation is monitored at the highest level – the Presidency, this includes the monitoring of the Pillar 4 Response, Care, Support and Healing. Evaluation completed in 2018, on government efforts against abuse of women and children, helped inform the National Strategy against Gender Based Violence.

Early Childhood Development (ECD)

Optimising policy and administrative space: Pre-1994 ECD was not a priority and policies severely discriminated against black children. The democratic state through the South African Constitution, legislation and policies committed itself to the development of children through providing ECD services. The government has also expressed positive intentions to support ECD and, in particular, to redress inequity, through the following policy and legislation regime: The Education White Paper 1 on Education and Training adopted in 1995, the 1995 Education White Paper 5 on ECD, The Education White Paper 6, The National Integrated Plan (NIP) for ECD (2005 - 2010), The National Integrated Early Childhood Development Policy was adopted by Cabinet in 2015 as well as the Children's Amendment Act of 2023. The responsibility for Early Childhood Development (ECD) centres was migrated from the Department of Social Development (DSD) to the Department of Basic Education (DBE) in April 2022. There is a general increase in the attendance of ECD facilities over the years. The category of birth to four-year-olds attending ECD institutions has increased by 24.6%, from 16% in 2006 to 40.6% in 2019, while the category of three to five-year-olds increased from 60% in 2009 to a high of 73.5% in 2019. The percentage of six-year-old children attending ECD facilities has been above 90% since 2009. Access to Grade R is almost universal. Since 2009, over 90% of learners in Grade 1 have previously attended Grade R.

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151   National Treasury (2023). Draft Legislation for the "Two Pot" Retirement System. www.treasury.gov.za
152   National Drug Master Plan, 4th Edition 2019-2024. www.dsd.gov.za

The period between 1996 and 2001 showed a large increase in the percentage of young children under the age of compulsory education participating in education (23.1% increase among five-year-olds and 21.2% among six-year-olds). However, it is between 2001 and 2011 that showed an unprecedented increase in participation among five-year-olds with a rise of 35.5% in participation, from 45.6% to 81.1%. Furthermore, nearly nine out of ten (92.4%) children of this age were attending educational institutions in 2022, which is a 70% increase from 1996. There has also been a significant increase in the percentage of children who are disabled and attending schools between 2002 and 2021. However, there is no consistent trend in the percentage of learners who have a disability.

Access to basic services

Access to clean water, sanitation, housing improved over the 30 years of democracy. Refer to Figure 8 in Chapter 3.

Public and Social Employment Programmes

In 2004 government introduced Public Employment Programmes that provide the dignity of work and possibilities of skills development. The Expanded Public Works Programme (EPWP) and sub-programmes, such as Working for Water, Working for Fire, Social Sector Public Works Programme, and subsidised private Employment programmes and Infrastructure Programme were introduced by the democratic government to mitigate the effect of an economy that is not creating adequate number of jobs. Newer additions to public/social employment are the Community Work Programme (CWP) and the Presidential Youth Employment Intervention (PYEI) which provide an employment safety net.

The cumulative total of work opportunities created by the EPWP since its inception in 2004, has been 10.3 million, with 4.8 million (47%) young people accessing the programme. The EPWP has had significant impact to beneficiaries; livelihoods in terms of acquired skills through training and poverty alleviation through securing employment.

The CWP started with three sites, in 2010 but by 2016, there were 212 sites in 203 municipalities which put R1.7 billion into the pockets of more than 200 000 participants during 2015/16. Currently, there are about 250 000 people participating in the CWP programme.

The Youth Employment Service (YES) launched in 2018, in its first year the programme recorded 4 600 work opportunities, in collaboration with 191 businesses signed up framework, and facilitating infrastructure, universal access to digital hardware and software whilst also encouraging digital innovation.

The newest of the public employment schemes the PYEI was able to deliver over one million jobs and opportunities between October 2020 to December 2022. The work experience provided in these programmes increases work-readiness and productivity in the wider economy. This is vital to a growth trajectory, and in reducing the costs and risks of hiring people with no prior work experience in the private sector.

CONTRIBUTION OF THE NON-STATE ACTORS

Social compacting

Since the onset of democracy South Africa's social partners have sought to establish social compacts. At a national level, these include (i) the 1999 Jobs Summit; (ii) the 2003 Growth and Development Summit; (iii) the 2008/9 Framework Agreement; (iv) a series of five social accords on specific themes adopted between 2011 and 2013; (v) the 2018 Jobs Summit Agreement; (vi) and the 2020 Economic Recovery and Reconstruction Framework (ERRP).

In 1998 and 2018, the CSOs held the Presidential Jobs Summit and agreements were concluded in four areas: job creation in particular economic sectors, the labour market and human resource development for job creation, special employment programmes, and job creation in integrated provincial projects. Thereafter, in 2022 was the Presidential Social Sector Summit. Additionally, the Social Sector Summit found practical ways to create an enabling regulatory and policy environment to strengthen collaboration and coordination with other social partners, enhance capacity building for Civil Society Organisations, improve resource mobilisation, and contribute toward sustainable job creation[153].

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153   Framework Agreement of The Presidential Social Sector Summit (2022). Republic of South Africa.

Non-state actors contributed immensely, through social compacting and voluntary action, to social and resource mobilization, job creation, advocacy, welfare, relief efforts, human rights promotion/protection including justice for children in conflict with the law, community development, enterprise development and combatting GBVF. Some of these areas are outlined below.

Job Creation

Non-state actors such as CSOs has played a significant role in income generating initiatives such as the CWP, CDW and EPWP. Successful provision of support to income generation activities requires strong partnerships between government, CSOs, beneficiaries and the private sector. There are many examples of such partnerships between government, civil society organisations and the private sector who often serve as intermediaries in the roll-out of these programmes. An example of this is the Department of Public Works implementation of the EPWP, which has relied heavily on CSOs to act as service providers in assisting government through implementing the Non-State Sector EPWP Programme, as well as to enable government to reach its EPWP targets for training provision[154].

Welfare

CSOs provide basic services (health, education, housing, etc.) to children, or adults and/ or communities in need. There are many such organisations which exist in South Africa operating at the local or regional level with specific mandates to care for children, the aged or the disabled. For example, there are organisations such as Child Welfare Advocate for ensuring the relevance and implementation of national policy and legislation aimed at protecting and enhancing the life of children. The organisation also focuses on achieving sound management and financial viability for all child welfare structures. The organisation also plays a monitoring role to ensure that there is equitable distribution of services to disadvantaged communities[155]. With regard to ECD provision the role of non-state actors, both NPOs, CSOs and NGOs have played a key role in centre-based ECD. Ilifa Labantwana is one of the many examples of an NGO that has played a key role in the ECD sector by providing the evidence, building political support and national capacity to scale up appropriate and cost-effective ECD services with particular focus on the poorest 40% of the population[156].

Human rights promotion/protection

CSOs formed to monitor abuses of human rights, to lobby against such abuses, and to protect and assist victims of abuse. For example, the annual campaign of 16 Days of Activism for No Violence Against Women and Children has over ten years focused on mobilisation of communities. This partnership of government and civil society has given rise to the 365 Days Action Plan, which seeks further to mobilise society and promote practical action to protect human rights[157]. Similarly, the Children's Institute aims to harness the collective academic capability at the University of Cape Town (UCT) to promote enquiry, to build capacity through teaching and training, and to present evidence to guide the development of policies, laws and interventions for children. The institute pays special attention to promoting children's participation in its work, and advocates for their voices to be heard in decisions affecting their lives[158].

154   National Development Agency (2016). Enhancing Civil Society Participation in the South African Development Agenda: The Role of Civil Society Organisations. (Ed) Bongani Magongo.
155   Child Welfare South Africa. www.cwsa.org.za
156   Ilifa Labantwana (2012). Policy Brief: Getting the Basics Right from The Start.
157   Republic of South Africa. Toward a Fifteen-year Review.
158   The Children's Institute. University of Cape Town. Western Cape.

LESSONS TOWARDS VISION 2030

The provisions made in the RSA Constitution, the RDP and subsequent government programmes over the 30 years attempted to reverse the devastating impact of apartheid and colonialization in a multidimensional manner, focusing on basic needs, participation, inclusion, infrastructure, human capabilities, assets, and opportunities. The delivery of social protection is multidisciplinary and thus should be driven by a multidisciplinary team even at the level of ministers. Terms of reference for this inter-ministerial committee could include ensuring:

- The optimal payment of social grants: SASSA should be solely responsible for the grant payment as this will ensure that it fulfils its mandate to administer the payment of social grants effectively and efficiently.

- Implementation of the National Integrated Social Protection Information System to ensure that all eligible individuals and households access the social wage to ensure reduction of inequality of opportunity and attainment of maximum potential.

- Improve capacity to implement and enforce regulations e.g. Effective implementation of the Drugs Master Plan by monitoring the implementation of the plans and promote a multi- sectoral approach in substance abuse service delivery.

- Optimising the funding and the development of social development policy space including the definition and making practical developmental social welfare; increasing ECD funding and allocate resources more effectively and efficiently; particularly at rural areas.

- Enabling inter-sectoral collaboration and integrated service delivery with non-governmental organisations and other key services providers to achieve the best possible service for the young children. This collaboration is achieved at national, provincial, district and local levels.

Reform and Optimise Social Protection policy space to (i) reduce ad hoc responses and to booster resilience against existential shocks and losses; (ii) ensure universality of coverage and efficiency (iii) enhance policy coherence and implementation. Finalise and implement new policies to optimise social protection. These include:

- Finalise the White Paper on Social Development including elaboration on development social welfare and its components in the context of South Africa.

- Define the Social Protection Floor as guided by the Bill of Rights of the Constitution.

- Finalise the White Paper on Comprehensive Social Security and resultant sub policies to cover social security gaps, legislation; Develop requisite regulations and minimum norms and standards.

- Develop a Policy on Homelessness: A new policy framework is needed that takes a developmental approach to homelessness rather than a punitive one and must be designed around the specific needs of people experiencing different types of homelessness.

Reform of institutional mechanisms to sharpen the social protection delivery mechanisms. These include: Reform RAF; improve efficiency of UIF, SASSA and COIDA; Increase UIF coverage and enforce compliance with the UIF Act among employers who defy their obligations to contribute; Establish an inclusive social protection register for the vulnerable (NISPIS).

On human resources, hire up 55 000 social welfare practitioners as per the dictates of the NDP. Resource the foster care programme with enough social workers, this will ensure that foster care cases are swiftly resolved, and children placed in stable family environments with access to the appropriate social grant.

Establish a sustainable, consistent, and stable Thuthuzela Care Centre (TCC) funding model to ensure the availability of medical equipment, infrastructure, human resources, and service delivery in all TCCs. This include making provision for Social Welfare Package including minimum psychosocial support packages for GBV.

Implement maternal support and increasing uptake of the child support grant by eligible children under one to better improve the nutritional outcomes.

CHAPTER 10:

LAND REFORM AND RURAL DEVELOPMENT

Over the last 30 years, rural development has taken centre stage in policy thinking and the design and implementation of state-funded programmes aimed at transformative change in rural areas. Imperatives that drove rural development interventions range from improving rural living standards to giving effect to the constitutionally entrenched rights of people. The under-investment in rural areas in the decades before 1994, and the need to undo the inherited injustices associated with racially biased land ownership formed the critical motivations for the government's prioritisation of rural development. In response to its constitutional mandate and to abolish rural marginalisation, the government adopted a multi-faceted policy agenda after 1994: land redistribution, diversification of racial participation in the agricultural sector, rural public infrastructure upgrades and the basic needs of rural residents. Post-1994, development frameworks such as the Comprehensive Rural Development Programme (CRDP) and the 2030 National Development Plan (NDP) have prioritised rural development objectives and service delivery targets and programmes.

According to the 1996 population census, 18.81 million people, roughly 46% of the population, lived in rural areas. Females comprised the majority of rural residents: 9,97 million (53%) compared to 8,84 million (47%) males. These people predominantly lived in the rural areas of the former homelands, numbering 12.7 million people (31.4% of the population) in 1997. An estimated 1.7 million households residing in the rural former homelands in 1997 had access to farmland, with 50% of these households using one hectare or less for crop farming.

Naturally, the structural legacies of the pre-1994 land allocation and use system could not be transformed immediately after removing their legal foundations. Key pieces of legislation that reinforced and aided the colonial and apartheid land inequalities were the Native Land Act of 1913, the Black Administration Act of 1927, the Native Trust and Land Act of 1936 and the Promotion of Bantu Self-Government Act of 1959. Through the enforcement of these laws, the land dispossession of the black majority became institutionalised. For instance, the 1913 and 1936 land acts established the 'native reserves' (or Bantu homelands) with an insecure land tenure regime under the supervision of state-appointed Bantu authorities.

Land degradation in the homelands and the erosion of agricultural capacities are some of the enduring legacies of the land laws.

These laws operated in tandem with so-called self-governance legislation, which created a weak land administration system under traditional leaders. Together, this legal machinery subjugated black people as sources of cheap labour, fostering homeland settlements characterised by economic marginalisation, poor service delivery and weak institutions prone to corruption.

Approximately three million black South Africans (6% of the population) who live on privately owned farms in formerly white commercial farming areas are among the poorest South Africans, whose vulnerability is exacerbated by their socioeconomic marginality and geographical isolation. Since 1994, various legal instruments like the Extension of Security of Tenure Act 62 of 1997 and the Land Reform (Labour Tenants) Act 3 of 1996 have been developed to ensure that the tenure of farm workers is secure.

OVERRIDING NATIONAL ASPIRATIONS

Rural areas remain subject to ongoing demographic, socioeconomic and policy shifts. In 2022, 19,36 million people lived in tribal, rural areas, with the gender composition of the population virtually unchanged from figures of the late 1990s. The higher levels of poverty, unemployment, and inequality, which are still concentrated in rural areas, pose questions about the effectiveness and sustainability of rural development plans implemented since 1994.

After 30 years, fragmentation and uneven development characterise the country's rural landscape. Rural areas of the former homelands continue to lag behind the rest of the country in terms of quality of life, service delivery infrastructure and economic prosperity.

From the outset, implementation was challenged by a lack of effective coordination and streamlining of rural development. Efforts to overcome these coordination difficulties through better territorial targeting were created in the Integrated Rural Development Sector Strategy (IRDSS), which is implemented through the Comprehensive Rural Development Programme (CRDP) and District Development Model (DDM) to facilitate the integration and coordination of a variety of interventions. The aim is to create input from all spheres of government, traditional councils, and the private sector.

In 2012, the National Development Plan confirmed key rural development imperatives and committed the government to land transfers, agricultural sector reforms, smallholder farmer support and agricultural employment targets.

LEGISLATION, KEY POLICIES AND PROGRAMMES

Since 1994, the government has endeavoured to develop rural areas through grassroots interventions. For instance, the Reconstruction and Development Plan (1994) focused on meeting basic needs and defined broad rural transformation initiatives. In addition to its targets for scaling up access to affordable housing, health care and telecommunications to black people, it envisioned a redistributive land reform programme. This programme combined land restitution, tenure security and land redistribution.

Section 25 of the 1996 Constitution provides for land reform, balancing the protection of the rights of landholders and facilitating the restoration of land rights lost during apartheid. This constitutional right to land thus frames post-1996 land laws and serves as a reference point within which land restitution and tenure reforms must be carried out.

To effect land reform, the government adopted the Restitution of Land Rights Act and the Land Reform (Labour Tenants) Act in 1994 and 1996, respectively. The Restitution of Land Rights Act, No. 22 of 1994, provides the restitution of rights to land to people or communities dispossessed of such rights after 19 June 1913 due to past racially discriminatory laws or practices. The act established a Commission on Restitution of Land Rights and a Land Claims Court to administer this task.

The Land Reform (Labour Tenants) Act (Act 3 of 1996) provides the security of tenure of labour tenants and those persons occupying or using land due to their association with labour tenants. This was upgraded in 2021 with the Land Tenure Rights Amendment Act 2021 (Act No. 6 of 2021). It also makes provision for land acquisition and land rights by labour tenants. These are complemented by the Communal Land Rights (Act 11 of 2004), Extension of Security of Tenure Act 62, (Act 62 of 1997 and its amendment. These seek to offer redress to people "whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices".

Several programmes were introduced to support smallholder producers. Financing, institution-building, and capacity-enhancing programmes and initiatives include the Agrarian Transformation Strategy of 2012, the Rural Development Policy Framework of 2013, the Intergovernmental Relations and Stakeholder Management Strategy (2018), and the Rural Enterprise and Industry Development Programme.

Masterplans have been developed and implemented recently for poultry and sugar value chains, while the agriculture and agro-processing masterplan was developed and approved in 2022; the cannabis masterplan is under development.

The sugar masterplan is intended to create conducive conditions for industries to grow so that the raw sugar that must be imported can be produced and processed locally to create jobs and exports and boost our foreign exchange. When the sugar master plan was signed during the COVID lockdown, there was a commitment from large users of sugar to procure at least 80% of their sugar needs from local growers.

KEY MILESTONES AND ACHIEVEMENTS

Land Reform programme

The land reform programme allocated approximately 9.2 million hectares of land between 1994 and March 2023 (DALRRD POA reports and 25-year review report, 2019). This amounts to 1.2 % of the total of 82.2 million ha of agricultural land, or 55.6% of the 16.4 million ha of land targeted by the NDP by 2030.

Previously disadvantaged people received 5.245 469 million ha of land through 5,407 projects. Figure below reflects the number of hectares allocated per financial year and the number of cumulative hectares redistributed between 1994 and 2023.

Figure 58: Land restitution: Cumulative land redistribution per financial year 1994-2023
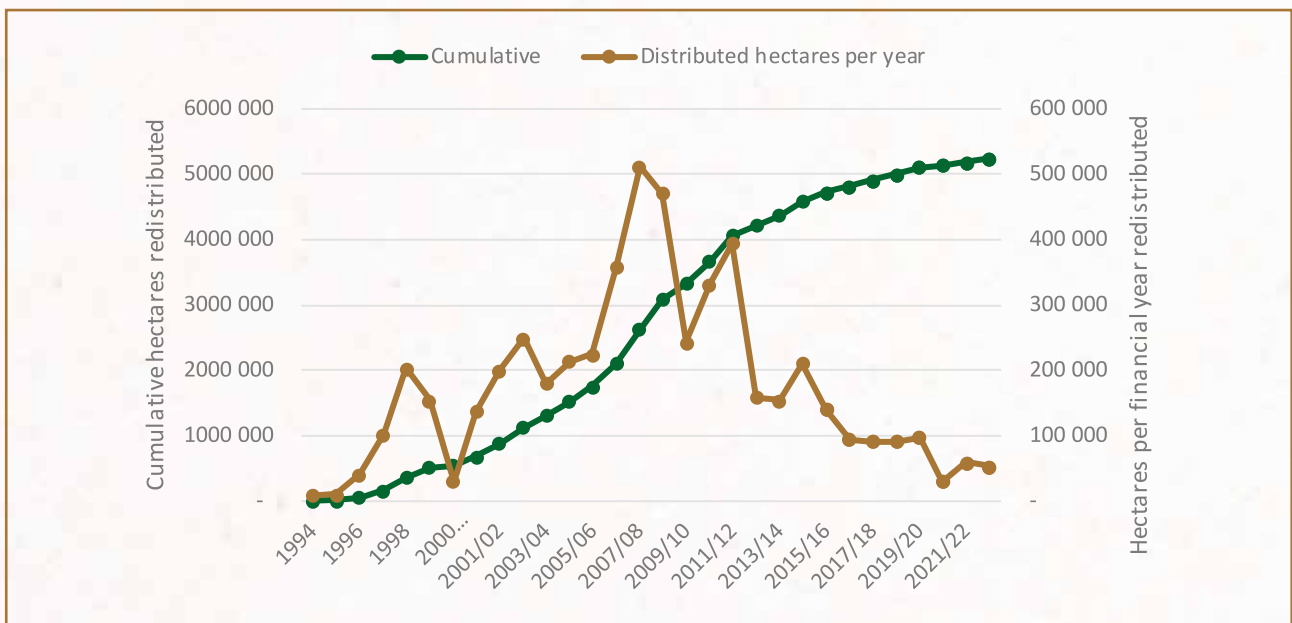
Source: DALRRD CRLR July 2023 and DPME development indicators 2023

Land restitution programme

3.87 million hectares of land were transferred through the finalisation of 82 976 claims, contributing 37% of land to PDIs. This is to the benefit of 456 089 households, with over 2.3 million beneficiaries, of which 1 246 are for people living with disabilities. (DALRRD, CRLR June 2023). The claims, hectares settled, land cost and financial compensation are depicted the next figure.

Figure 59. Land restitution: Claims, hectares settled, land costs & financial compensation (1995-2023)
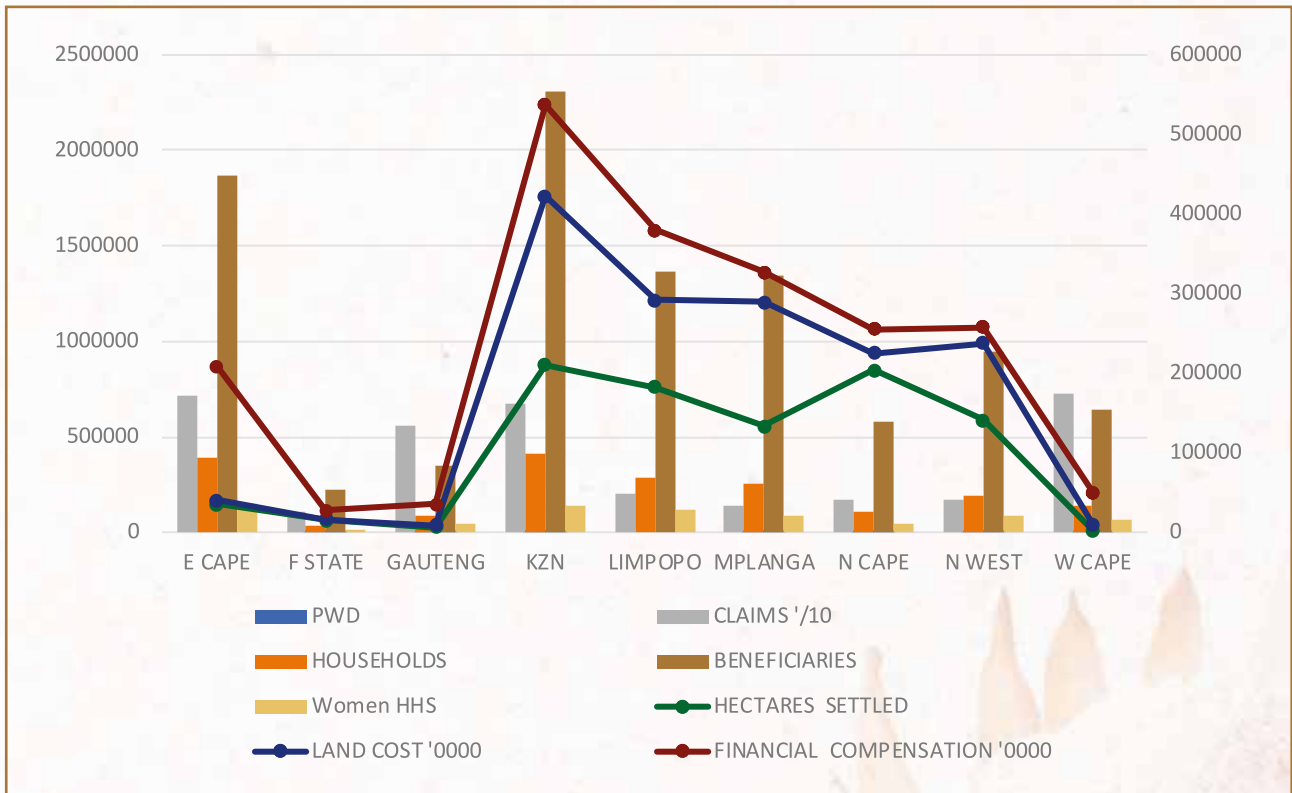
Source: adapted from the data from DALRRD CRLR Land Claims Commission July 2023

The Eastern Cape, Western Cape, and Gauteng provinces have high claims, yet fewer hectares of land have been settled. This could be due to the low number of hectarages claimed, claims that are complicated to resolve, or claimants who opted for financial compensation rather than land. It is interesting to note that the low number of claims in Limpopo, KwaZulu-Natal, Mpumalanga, Northern Cape, and North-West have high hectarages settled, perhaps as part of the claim, or claims that are less complicated, or claimants having opted to settle the claim.

Security of tenure

As of March 2022, 794,608 ha have been acquired for tenure of security.

Figure 60:
Hectares of land restitution of
Land Restitution Programme
1997-2022

Gauteng, 5 · North-West, 26 · Limpopo, 33 · Free State, 44 · E Cape, 46 · N Cape, 57 · Mpumalanga, 116 · KZN, 213 · W Cape, 251
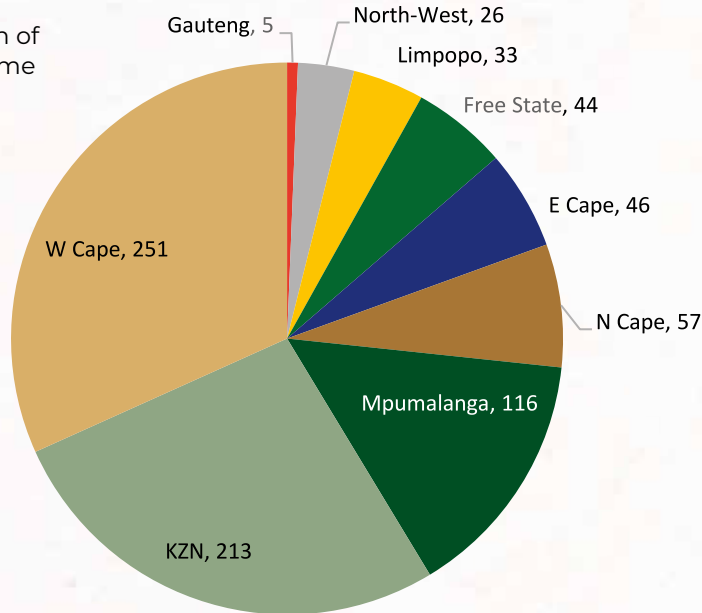
*Source:
DPME adapted from
DALRRD report*

Through the Department of Agriculture, Land Reform and Rural Development, the government is currently processing applications for land awards by labour tenants made no later than 31 March 2001. The Department received 20 325 claims lodged in terms of Section 16 of the Act, and 10 992 claims have since been finalised. Approximately 9 333 applications are still outstanding, with the majority in KZN followed by Mpumalanga province.

Since 1994, the democratic government has initiated various programmes to support black farmers participating in South Africa's agricultural and rural economy. Figure 4 below depicts the Comprehensive Agriculture Support Programme (CASP) budget, expenditure, number of projects and beneficiaries from 2004 to 2020.

The Communal Property Association Act 28 of 1996 should be part of the review to ensure that it is aligned to or is giving effect to Section 42 (C) of the Land Act. At present, Section 42 (C) is less focused, leading to a lack of development and unsustainability of the restored land characterised by poor post-settlement support and ceaseless tensions amongst the members of the Communal Property Associations (CPA) have led to the collapse of some of the previously productive farmers such as the Tzaneen Tea Plantation and the Zebediele Citrus Farm, both in Limpopo.

Figure 61: CASP Small Scale Farmer support trends (2004-2020)
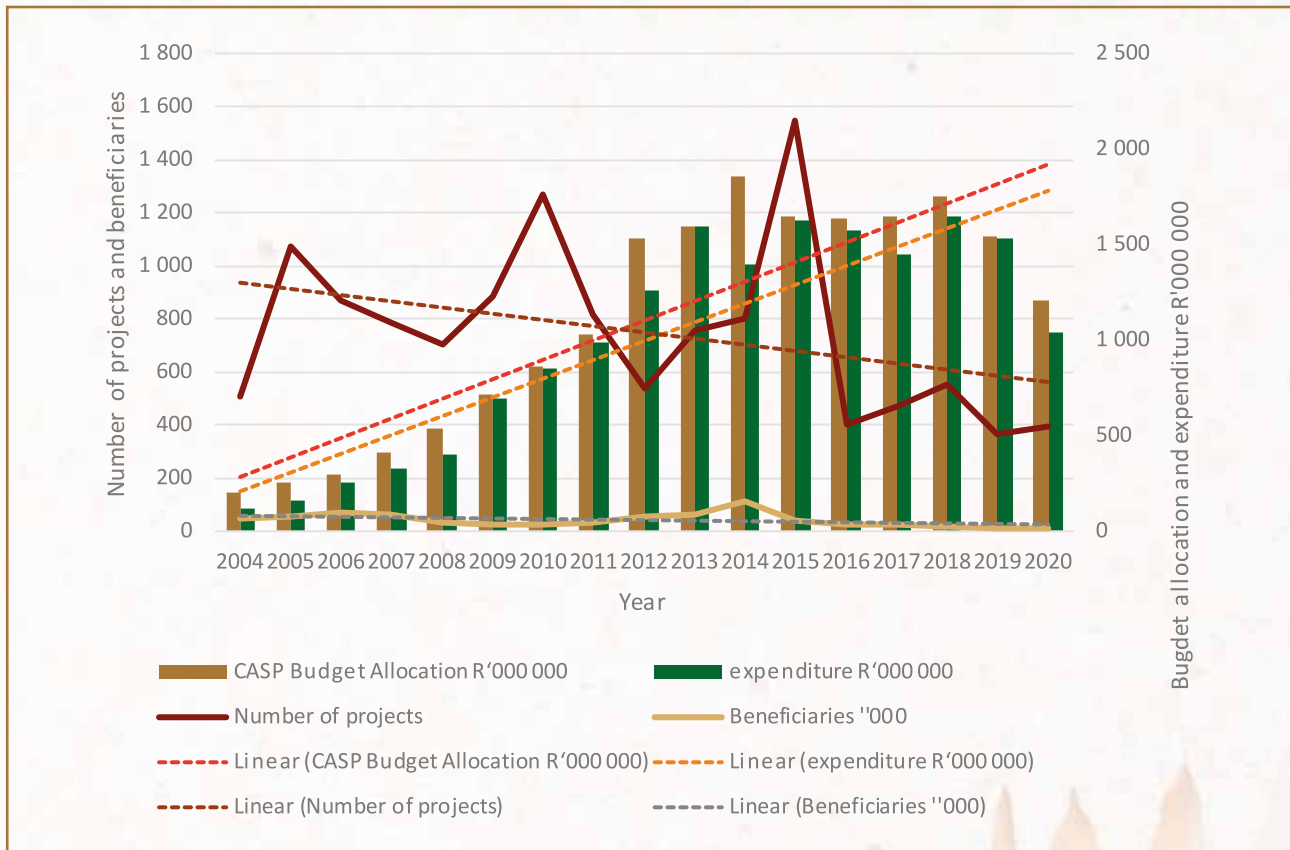
Source: CASP 2020/21 annual report

It is evident that at all times, the expenditure is less than the budget allocated, indicating underspending, perhaps marginal, but significant for farmer development. The highest expenditures were from 2012 to 2019, during which positive development was observed in the rural Eastern Cape, where CASP funded wool sheds for communal wool production, facilitated by the National Woolgrowers Association (NWGA).

Rural access road infrastructure

For communities, roads provide a means to access essentials such as food, shopping, utilities, education, medical and social services, as well as economic opportunities. The Rural Access Index (RAI) shows the proportions of the population living within 2 kilometres or about 20 – 30 minutes walking time of the nearest all-season road (Roberts and Ratogi: 2006). At an national level, RAI improved from 21% in 2004 to 30% in 2021. Gauteng, Free State and Western Cape have high ratios of rural spaces accessible. District level data on RAI shows great disparities between rural and urban communities. South Africa has approximately 750 000 kilometers of roads of which approximately 80% is gravel (or unpaved).

Among the ongoing government interventions to rectify this are programme for rural road construction, upgrading and maintenance in the provinces of North West, Limpopo and Free State (targeting 685 km by 2024), wherein standard design principles will be applied to reduce cost, accelerating pace of delivery and intensify labour intensive methods; the Welisizwe Rural Bridges Programme which aims to build about 95 bridges a year to enhance safe mobility and access in communities. The rehabilitation of the N1, N2 and N3 highways also makes a major contribution of connecting people and places and economic activities as well as the neighbouring countries.

Figure 62: Rural access index: % population within 2km of an all-weather road in South Africa
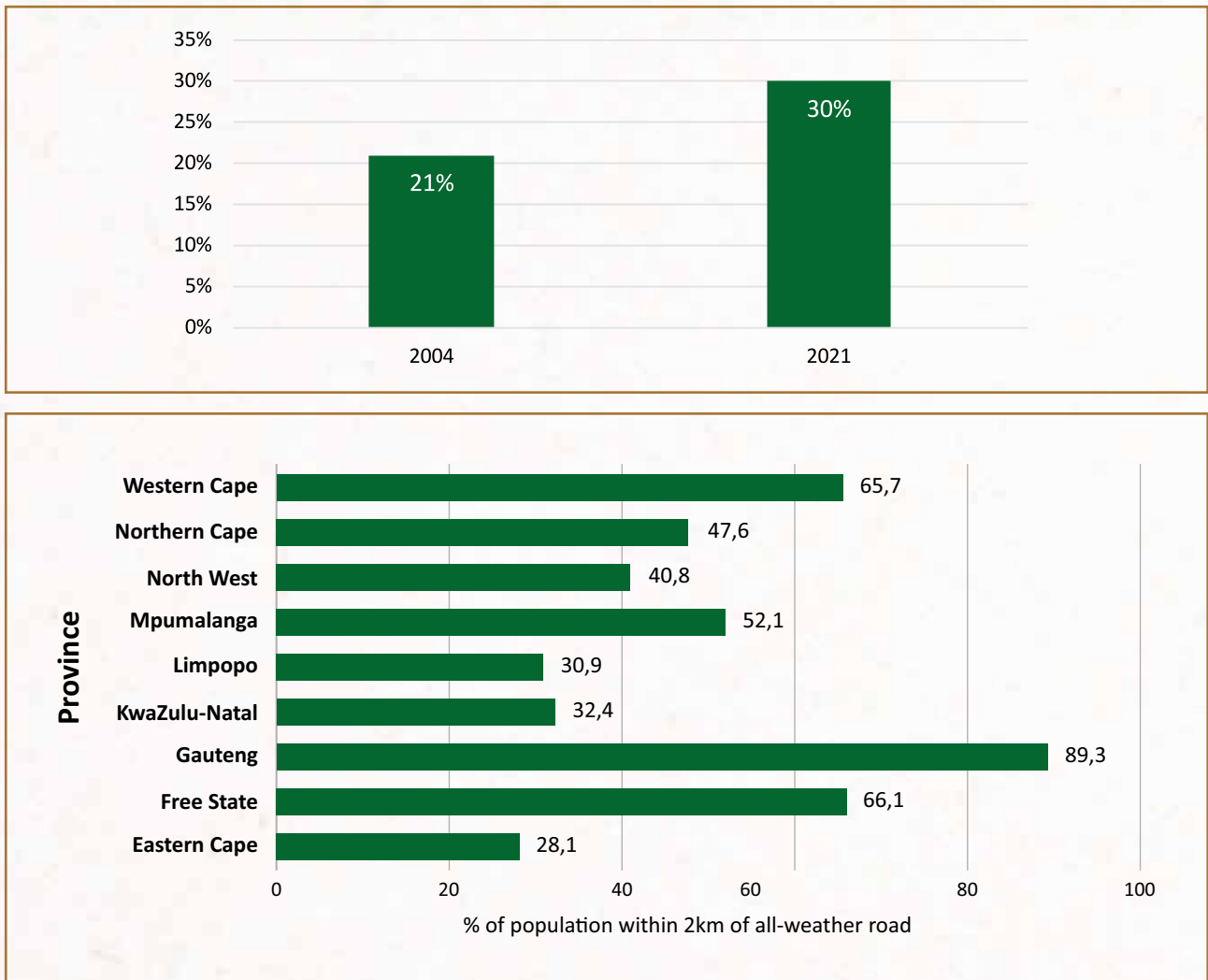
Source: Infrastructure South Africa

Rural Infrastructure Development

The Rural Infrastructure Development Programme recorded more than 440 projects contributing to agriparks (farmer production support units and Agrihubs), animal veld management programmes (AVMP), river valley catalytic projects and socioeconomic programmes. Though the government has put a lot of effort and resources into Rural Infrastructure Development programmes, there are still fragmentation and misalignments in the overall country infrastructure development project pipelines coordinated at the central point. The approach to armer Production Support Units (FPSU) as a flywheel for rural economy development aimed at giving effect to the Agriparks is still characterised by governance issues and a lack of policy directions (DPME FPSU report, 2022).

The National Rural Youth Service Corps (NARYSEC) was introduced in 2010 as a youth skills development and employment programme aimed at empowering rural youths aged 18 to 35 selected from each of the 3,300 rural wards in which the CRDP was piloted. The project aims to provide skills to unemployed rural young people and facilitate their transition to contributing towards vibrant, equitable and sustainable rural economies. To date, 17,000 young people have been trained through NARYSEC and have taken up opportunities such as employment and enterprise development (DALRRD 2023 website).

Jobs in the agricultural sector

The agricultural industry contributes around 5% of formal employment, which is relatively low compared to other parts of Africa. It does, however, provide work for casual labourers. As of 1998, agricultural employment represented 30% of all for black people in rural areas (excluding self-employment) and was by far the largest single category of employment for them (Stats SA, 2000a).

Some 750,000 people were employed in the agricultural sector in 1995 (1996 Census); in 2005, there was a 16,7% increase to 900,000 in agricultural employment (Figure 5).

Figure 63: Agricultural sector employment

Source: DPME, 2023

The increase may have been supported by government expenditure of R100 million on fodder and water to help drought-affected farmers in 2004. Agricultural employment constituted some 8.5% of the country's total labour force, compared to 10.5% in 2001, but up from 7.5% in 2005. Several factors caused this fluctuation in agricultural jobs, primarily climate change and unpredictable weather patterns.

The average long-term contribution of agriculture to national GDP is around 2.8% (Figure 6).

Figure 64: Agricultural GDP performance
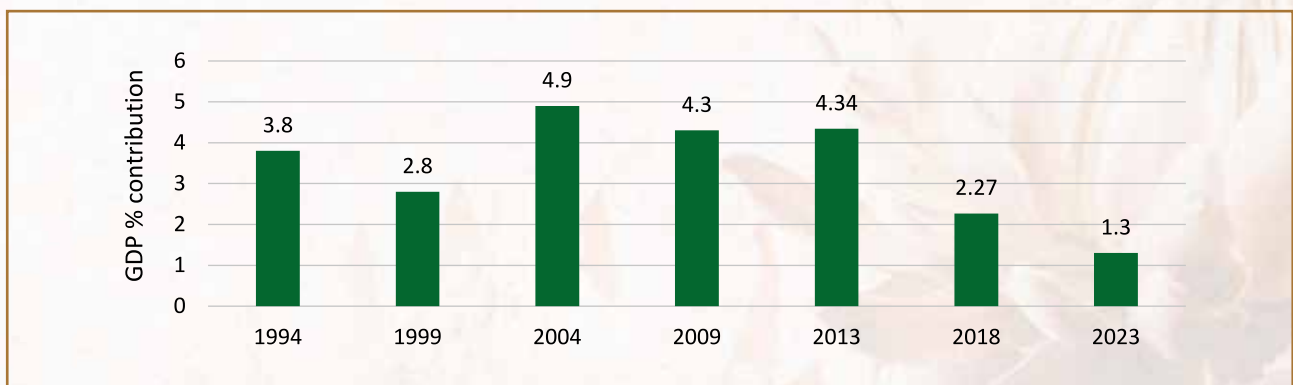
Source: DPME, 2023

The performance of South African agriculture is strongly influenced by weather occurrences. Historically, there has been a severe country-wide drought in at least one year of each preceding decade (the most powerful being in 1966, between 1982 and 1984, and from 1992 to 1993). The period from 1994 to 2008 is an exception to this trend.

Figure 7 indicates what has been achieved through implementing the sugar master plan since 2019, showing how it is possible to incentivise localisation.

Figure 65: Performance of Sugar Masterplan since 2019
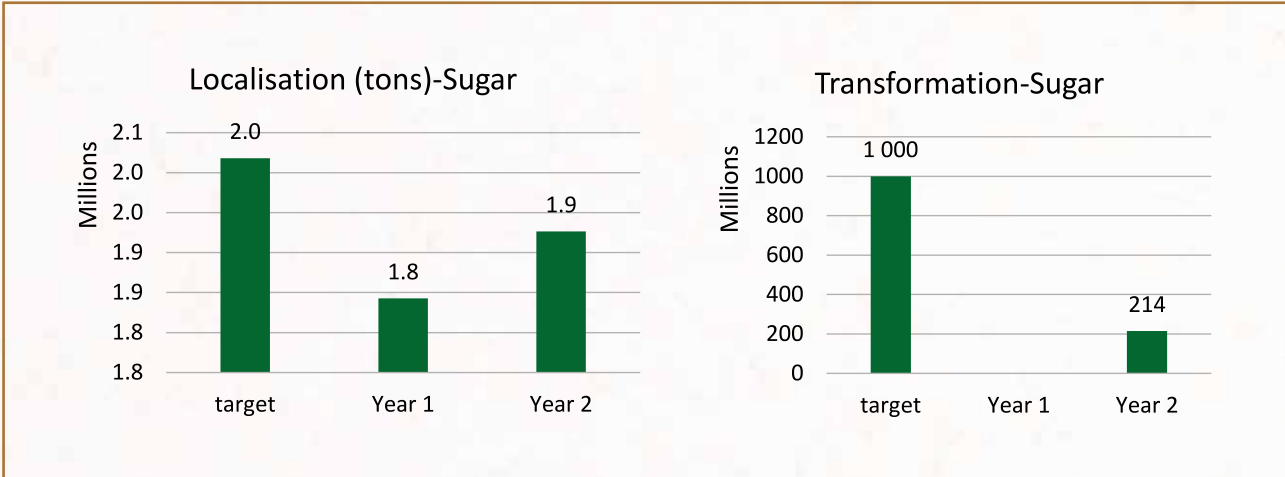
Source: Sugar Masterplan Progress Report, 2022

Poultry masterplan implementation

The South African poultry industry, with a gross value of more than R23 billion (US$3 billion), is the country's largest individual agricultural industry and contributes more than 17% to agriculture's GDP. Broiler production makes up most of the poultry industry. Although South Africa produces less than 1.5 % of the world's broiler meat, it is the primary producer in the Southern African Development Community (SADC), with almost 80% of total broiler production.

Figure 66: Poultry Masterplan target against production

Source: South Africa Poultry Association

The broiler industry in South Africa is dominated by two large producers, namely Rainbow and Astral. Together, these two companies produce 50% of total broiler production in South Africa. Evidence indicates that the target set by the sector has been surpassed. Still, it is unclear how much of this can be attributed to land reform or communal farmers' productivity through agro-processing facilities, including agriparks / FPSU.

LESSONS TOWARDS VISION 2030

There is a clear case for accelerating land reform interventions to scale up agriculture. To accelerate implementation of land reform interventions in terms of the Communal Property Association Act (CPA) and Regulations under Section 42(c) and Section 42(d). To scale up successful agricultural support interventions (e.g. farmer production support units and Agri-Parks) and others less effective must be reviewed for efficacy and restructured. Land reform and rural development: To prioritise investment towards rebuilding the national capability for animal and plant disease control, particularly on R&D, vaccine production and human capital (veterinarians and extension officers).

There needs to be an increase in strategic land availability for human settlement projects. This requires reviving of the model of Project Committees to enhance buy-in and support. Leveraging the private sector, financial institutions, and the market to increase the housing supply and the capital for housing provision and to support an equitable residential property market.

SYNTHESIS REPORT

CHAPTER 11:

TRANSFORMING HUMAN SETTLEMENTS AND THE NATIONAL SPACE ECONOMY

The RDP and the National Development Plan (NDP) emphasised the pivotal role of spatial transformation in tackling poverty and inequality. Yet the task of creating integrated human settlements goes beyond altering physical environments. It necessitates a fundamental overhaul of the existing segregated spatial structure inherited from the past while actively preventing new forms of post-1994 class and income-based spatial segregation and inequality.

Over the past thirty years, South Africa has made significant strides in developing human settlements. Efforts to provide formal housing, upgrade informal settlements, and promote integrated human settlements have improved living conditions for millions of citizens. Yet the legacy of apartheid socio-spatial planning persists, with stark contrasts in the quality of life within and between neighbourhoods and communities at different geographic scales, such as rural versus urban, former homelands, and townships compared to suburbs.

Spatial patterns inherited in 1994 reflected the impact of centuries of colonialism and decades of apartheid rule, with highly unequal patterns of development, access to infrastructure, social services and economic opportunities being determined along racial lines. Black South Africans settled in overcrowded and impoverished reserves, homelands, and townships, with a tiny minority being able to afford land on the free market. Poor people resided far away from job opportunities and access to amenities, burdening the workforce with enormous travel distances to their places of employment and commercial centres. Access to emergency services was inadequate in rural areas, and some areas had no public transport. Marked regional disparities were also identified within the economy due to policies designed to ensure a migratory labour supply to the mines, and the ethnic division in South Africa.

Enforced segregation and industrial decentralisation have located whole communities in areas with poor economic viability.

Overriding national aspirations

The NDP (2012, 260) notes:

> "There are no quick fixes for transforming the functioning of human settlements and the workings of the space economy... A fundamental reshaping of the colonial and apartheid geography may take decades. Still, by 2030, South Africa should observe meaningful and measurable progress in reviving rural areas and creating more functionally integrated, balanced, and vibrant urban settlements."

Provision of housing and human settlement solutions have become moving targets. Key drivers are population growth, reducing average size of family and migration patterns. All these peated against the South Africa faced the enormous challenge of providing adequate shelter and quality living conditions for its citizens. In 2022, The National Spatial Development Framework (NSDF) adopted a clarified vision for spatial development, and notes that progress in the areas of transformation will be crucial in the next decade, with far more spatial targeting, integration and alignment of infrastructure investment, development spending, and better coordination mechanisms required to do so within the fiscal framework.

Well in line with the RDP, various housing programmes have delivered more than 5 million subsidised "housing opportunities from 1994 to February 2022.[159; 160] Provision of housing also facilitated access to basic services for millions of households. Yet, housing shortage in 2021 was estimated at approximately 3.7 million and growing at about 178 000 annually.[161]

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159   The Department of Human Settlements defines a housing opportunity as the provision of a serviced site on land earmarked for future development, extension of a title deed to pre-1994 tenants of Council Housing, extension of housing finance to people falling outside the traditional mortgage finance market, provision of optimal rental space at below market rental rates, and provision of a subsidy to the poorest members of society (CRA, Living Conditions 2023: 607)

160   Department of Human Settlements (DHS), May 2022. Accessed: https://pmg.org.za/tabled-committee-report/4942/

161   CAHF, 2021. 2021 Housing Finance in Africa Yearbook – 12th edition

South Africa's policies and programmes for spatial development and human settlement have objective to enable the country achieve international development agendas. These are contained in the United Nations' SDG Goal 11 (Sustainable Cities and Communities); the United Nations' New Urban Agenda, AU Africa Agenda 2063. Among the targeted outcomes of the SDG 11 are safe and affordable housing; upgrading of slums; inclusive and sustainable urbanisation; safe and accessible public spaces particularly for women, children, older persons and persons with disabilities; resilient buildings and use of local materials.

Furthermore, the President has expressed a vision for in the 2019 State of the Nation Address – A "smart city" being a settlement where investments in human and social capital and modern communication infrastructure fuel sustainable economic development and a better quality of life.

Legislation, key policies, and programmes

The NDP called for a clearer vision, stronger planning instruments, and coordinated capabilities to facilitate spatial transformation. The Spatial Planning and Land Use Management Act – SPLUMA (Act 16 of 2013) was a critical legislative milestone, which has subsequently led to the adoption of the National Spatial Development Framework (NSDF) as a strategic long-term plan towards 2050, as well as the Integrated Urban Development Framework (IUDF) in 2016, as South Africa's national urban policy. The District Development Model (DDM) was introduced in 2019 to improve coordination across the spheres of government and interface with non-governmental stakeholders on matters of district development. SPLUMA provides the framework for all land development, including the legislative process for establishing human settlements/townships.

Seven major shifts are discernible when dissecting the key milestones in the policy arena of human settlement in South Africa over the three decades.

Figure 67: Milestones in transforming human settlement in South Africa (1994-2024)
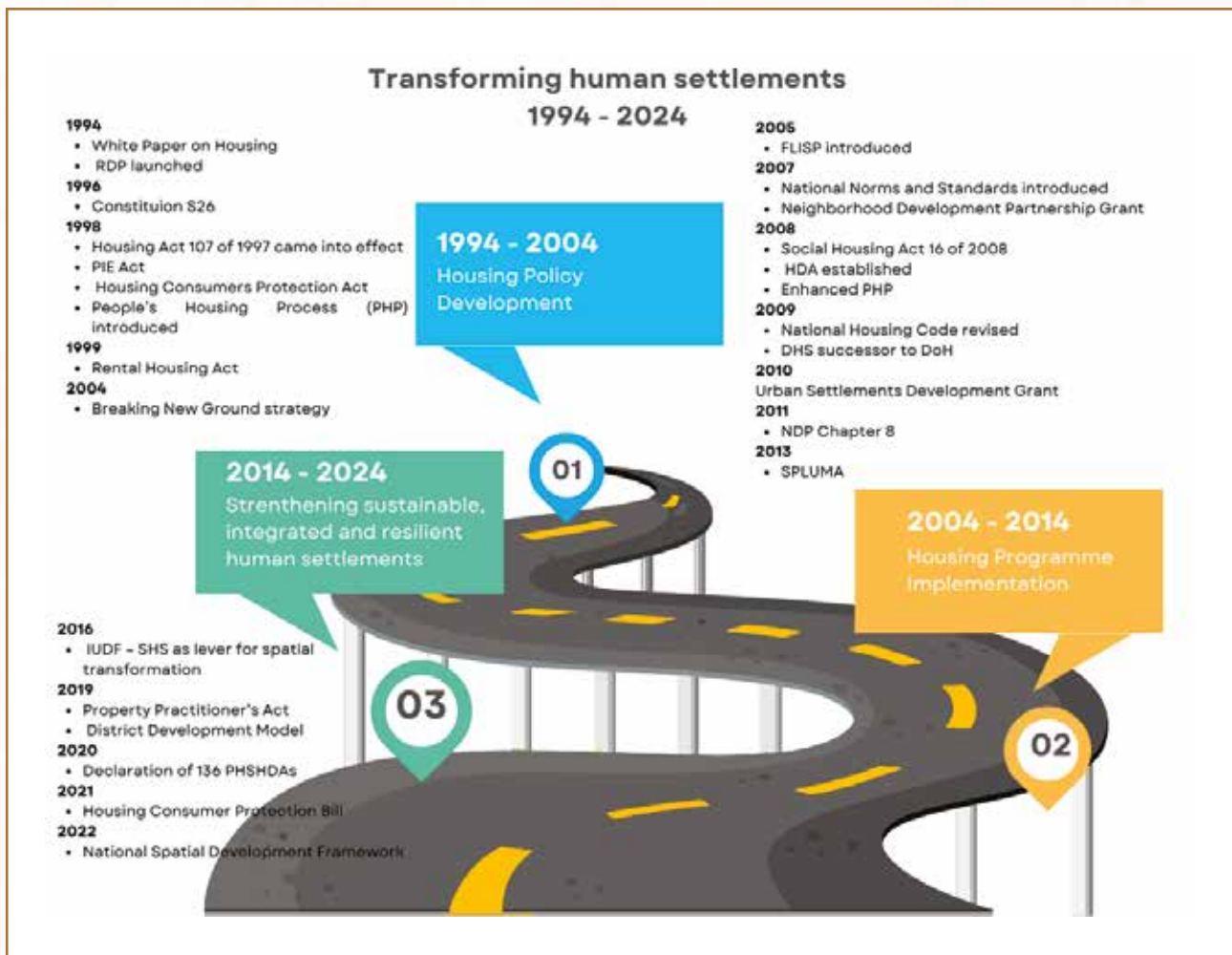
Shift 1: Moving towards an inclusive framework of providing access to housing.

The historical housing restrictions on black populations led to segregated living conditions, widespread informal settlements, and inadequate housing. To combat this entrenched inequality, a comprehensive legal and policy approach was needed to grant South Africa's urban poor access to integrated, sustainable settlements and job opportunities in towns and cities.

Shift 2: Moving from housing to sustainable human settlements.

The Breaking New Ground policy of 2004 marked a significant transition from a housing policy focused only on housing units to creating integrated, equitable communities with improved housing, expanded services, and better access to social and economic opportunities. This was also reflected in renaming the Department of Housing to the Department of Human Settlements.

Shift 3: Low-value, high-volume production to reaping the urban dividend.

While crucial for addressing the housing backlog, the focus on delivering affordable housing did not yield significant socio-economic benefits compared to the potential gains from urban concentration, termed the 'urban dividend.' Shifting from purely physical measures to considering locality and density emphasises the importance of strategic, state-aligned investments and housing developments tailored to people's desire for long-term sustainability.

Shift 4: The state is changing its role from provider to enabler.

State-subsidised housing programmes in South Africa have significantly improved people's lives despite the pace with growing demand but also undergone permanent budget reductions. This has necessitated a policy shift from the state as the primary housing provider towards the state enabling the property market at the lower end by supporting self-build construction, emphasising serviced sites, rental programmes, and subsidies for the 'gap' market. This approach emphasises community involvement through NGOs in housing projects, enhancing accountability and ownership.

Shift 5: Shift in how housing is understood and defined.

The initial site-and-services approach has evolved into more flexible subsidy programmes enabling citizens to access diverse housing options, including upgrading informal settlements, self-building through community driven housing initiatives, integration improvements, rural housing support, and rental and social housing aid. Over three decades, the perception of housing has shifted from a rights-based framework to acknowledging the role of housing in building assets and enabling socio-economic participation for beneficiaries.

Shift 6: From eradicating informal to transforming informal.

The discourse around informal settlements has shifted from seeking their eradication to acknowledging them as spaces for transformation into functional, dignified neighbourhoods through gradual development. The Upgrading of Informal Settlement Programme (UISP) focuses on improving residents' lives through service provision, tenure, and amenities based on a medium-term spatial and investment plan, with in-site upgrading as a central program for poverty reduction and spatial transformation.

Key milestones and achievements

Scale of housing delivery since 1994

The sheer scale of housing delivery in South Africa targeted at poorer households over the past 30 years is unprecedented anywhere in the world. The latest Census data shows that the share of people living in formal housing has increased from 65.1% in 1996 to 88.5% in 2022. Approximately five million subsidised "housing opportunities"[162] have been delivered to the very poor from 1994 to February 2022 through the implementation of various housing programmes, giving homes to approximately 13.7 million people (close to a quarter of the South African population). This has been a remarkable contribution, making housing accessible to those in need and increasing home ownership. Woman-headed households receiving government housing subsidies have increased from 6.3% in 2002 to 23.1% in 2019, engendering housing in South Africa like in no other country[163]. From 1996 to 2021, a 246.1% change was observed for Black people in formal housing, with a 32.2% change for Coloured, Indians/Asians and Whites for the same period. These findings of high levels of access to proper housing and high levels of homes owned and fully paid off by Black South Africans can largely be attributed to the provision of housing by the state.

Figure 68: Household by type of dwelling (1996 to 2022)
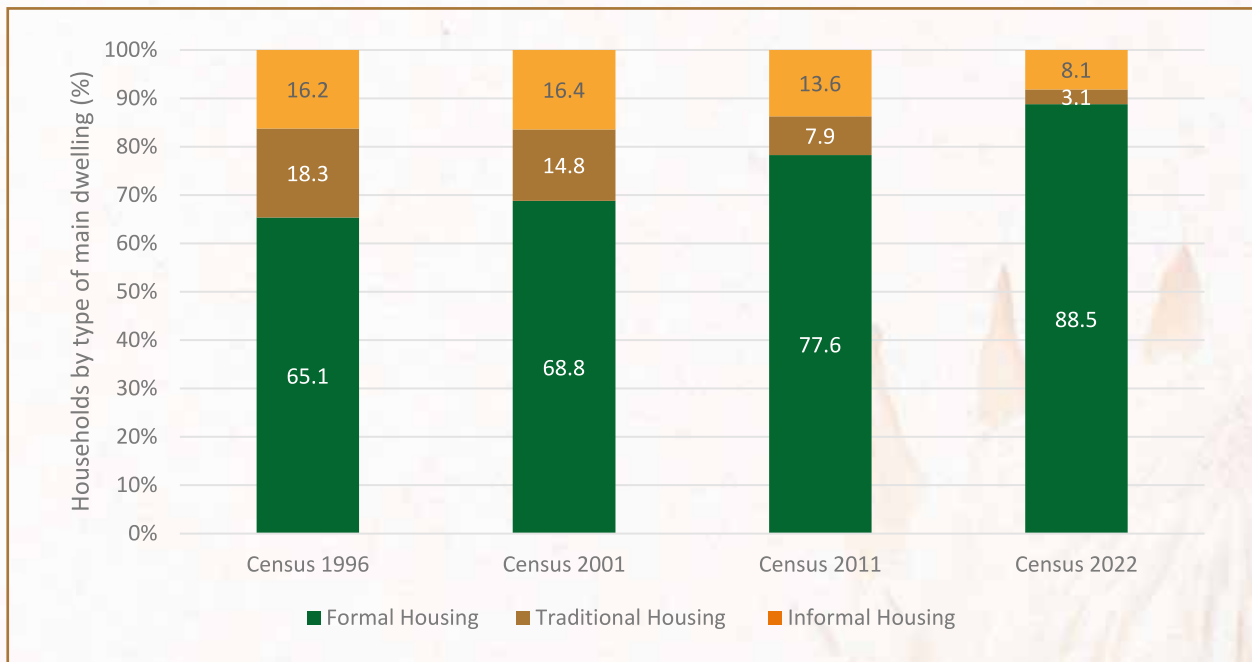
Source: Statistics South Africa, Population Census

Upgrading and transformation of informal settlements

South Africa has steadily improved informal settlements, managing to move approximately 2 131 633 households out of substandard conditions and providing them with basic services and security of tenure[164]. According to Statistics South Africa, the proportion of the South African population living in informal settlements halved from 16,2% in 1996 (1,45 million households) to 8,1% in 2022 (1,43 million households)[165].

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[162] The Department of Human Settlements defines a housing opportunity as the provision of a serviced site on land earmarked for future development, extension of a title deed to pre-1994 tenants of Council Housing, extension of housing finance to people falling outside the traditional mortgage finance market, provision of optimal rental space at below market rental rates, and provision of a subsidy to the poorest members of society (CRA, Living Conditions 2023: 607)

[163] StatsSA, General Household Survey, 2019

[164] Department of Human Settlements, 2023. 30 Years of Transforming Human Settlements through Housing.

[165] Statistics South Africa, 2023. Census 2022.

Major gaps remain despite this progress. Triangulation of patterns reflected in various studies and surveys reveal critical gaps that require priority attention in upgrading of informal settlement, e.g. Census 2022, the General Household Surveys, and the National Housing Needs Register. Informal settlements with inadequate housing, services, and infrastructure remain a significant challenge with overcrowding and insufficient shelter.

Social Housing and Finance-Linked Individual Subsidy Programme (FLISP)

To address affordability in the gap housing market (properties valued below R500 000), the Finance Linked Individual Subsidy Programme (FLISP) (now called First Home Finance Programme) was introduced in 2005, designed to assist low to middle-income households to access adequate housing by providing subsidies to those who qualify neither for fully subsidised houses nor for home loans from banks, because they earn too little.

The FLISP programme was reviewed following an evaluation that identified key limitation to its transformative impacts – particularly that very few households successfully accessed the necessary private mortgage funding required.[166] Major changes were introduced in 2018 to speed up delivery and enhance impact. Amon the changes, the administration of FLISP subsidies was moved to the National Finance Housing Corporation (NHFC) from 2019/20, services were streamlined, NHFC established industry links were established through Memorandum of Agreement (MOA) with the Banking Association of South Africa (BASA) and service level agreements with commercial banks,the qualifying criteria was adjusted by increasing the household income band and the subsidy quantum; FLISP subsidies are paid out quicker. Like many housing programmes, this programme is an economic stimulus because of its multiplier effects on the economy and has a high leveraging factor. According to the NHFC, the R631.2 million worth of subsidies approved since 2019 have leveraged R5.37 billion in private institutions' lending in the affordable housing market.[167]

Another key mechanism for transformation in the gap market is the provision of social rental housing, providing accommodation to low- and middle-income households who do not qualify for free housing subsidies but still struggle to afford private rental options. Social housing developments are managed by accredited institutions, with the Social Housing Regulatory Authority (SHRA) regulating 40 628 affordable rental accommodation units in 2021. The unit growth has almost doubled since 2015, to 26 328 units. Yet the social housing programme has also been criticised for building some projects outside the urban core, which undermines the potential for spatial restructuring. Increased property and building prices make it increasingly challenging to implement social housing in better-located areas unless public land is available at a heavily discounted price.

Better data governance and reporting of spatial planning

Significant strides have been made in integrating data sources for evidence-based planning. South Africa's Spatial Data Infrastructure (SASDI) is now ranked number one in Africa on the Global Geospatial Readiness Index of 2022, and twenty-nine globally. This was achieved through the implementation of the South African Spatial Data Infrastructure (SASDI), which was established through Section 5 of the Spatial Data Infrastructure (SDI) Act, 2003 (Act No.54 of 2003). Another breakthrough is a project by the National Treasury and the Human Sciences Research Council, where work was done to make anonymous tax data available to support municipalities with spatial planning. This opened a wealth of data to support city-level decision-making in support of spatial and economic transformation.

In 2017, under the Municipal Finance Management Act No 56 of 2003, the government published the MFMA Circular 88 to rationalise planning and reporting requirements for metropolitan municipalities' 2018/2019 MTREF. The circular aims to support aligning planning and reporting instruments for a prescribed set of municipal performance indicators. The National Treasury, through the Cities Support Programme (CSP), has collated the reporting requirements for all metropolitan municipalities and identified 2 572 indicators, requiring 18 467 data elements to be reported annually.

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166 Department of Human Settlements, 2021. Final Evaluation Report for Implementation Evaluation of the Finance Linked Individual Subsidy Programme (FLISP)
167 Department of Human Settlements, 2023. Progress Report on the Implementation of First Home Finance (formally FLISP) Programme. Presentation to Portfolio Committee on Human Settlements.

New programmes geared towards addressing spatial transformation

The District Development Model was introduced by the President during his budget speech in 2019 to address challenges related to government departments working in silos. The DDM provides a framework for coordination and collaboration across the spheres of government and with players beyond government to guide and inform priorities and investment spending to optimise impact at the level of districts as geographically defined 'impact zones.' Since the introduction of the model, "One-Plans" has been developed for approximately 85% of districts and metros in the country.

The National Treasury Cities Support Programme (CSP) has been a crucial metro-focused vehicle for implementing the IUDF. The CSP, with its focus on the spatial transformation agenda in metros, is fully aligned with the principles and levers of the IUDF. The CSP builds on the National Development Plan, which highlights the importance of space and the spatial relations between where people live and work in urban areas can be a crucial hindrance to economic growth and poverty reduction. The CSP has approved 43 support projects for metros.

The Intermediate Cities Support Programme under the IUDF focuses on 37 intermediate/secondary cities. One of the ICM Support Programme's key focus areas is the Integrated Urban Development Grant (IUDG), rolling out to support the IUDF in intermediate city municipalities. There are currently eight intermediate city municipalities participating in the IUDG.

The Department of Cooperative Governance (DCOG), together with the South African Local Government Association (SALGA), undertook a process to review the Small Towns Regeneration Strategy (STR). Development of smart city

The Smart Cities Framework was introduced in 2021 as an innovative concept based on the President's 2019 State of the Nation Address. A "smart city" would be a modern settlement where investments in human and social capital and modern communication infrastructure fuel sustainable economic development and a better quality of life.

National COGTA has embarked on a process to develop a New Smart Coastal African City along the Eastern Seaboard. Eastern Seaboard region has been identified as a strategic area and various initiatives are underway by the 3 spheres of Government and the private sector. Eastern Seaboard development is a flagship District Development Model project to accelerate socio-economic development and improve the quality of life of the communities across the Region. Eastern Seaboard is located along approx. 250km coastal stretch between Coffee Bay in the King Sabata Dalindyebo Local Municipality in the south and Scottburgh in UMdoni Local Municipality in the north. A total of 21 municipalities are being supported under this programme[167].

Integrated residential developments

Integrated human settlements focus on developing housing projects that are well-located, providing access to economic and employment opportunities, education, healthcare, and other social services. This helps to transform the spatial layout of cities and towns to reduce the unequal spatial patterns narrowing the spatial mismatch by seeking to create more inclusive and equitable urban environments. The Integrated Residential Development Programme of the Department of Human Settlements provides for the acquisition of land, servicing of stands for a variety of land uses, including commercial, recreational, schools, and clinics, as well as residential stands for low-, middle- and high-income groups, creating social, economic and spatial integration, situated in well-located areas.[168; 169]

[167] MISA: Annual Report on the coordination and planning of the Eastern Seaboard Development, 2022/23

[168] Chipingu, L. 2015. National Housing Programme. Lecture notes distributed in Housing Theory and Practice 306. Durban: University of KwaZulu-Natal cited in Mnisi & Karam, 2020. The impact of the integrated residential development programme on surrounding property values: case study of Fleurhof, Johannesburg. Accessed: http://www.scielo.org.za/scielo.php?script=sci_arttext&pid=S2415-04872020000100002

[169] Housing Development Agency, 2017. Assessment of the Integrated Residential Development Programme (IRDP) and it's Impact on Spatial Transformation. Accessed:www.ukesa.info/download/GUdpi8Q6T9PNM2ojFYHJZKfE0uvy5lcn/Assessment-of-the-IRDP-and-its-impact-on-Spatial-Transformation.pdf

Text box 6:
Cornubia – human settlement to provide an inclusive urban settlement

Cornubia is a mixed-use and mixed-income development strategically located in the north of Durban between the CBD and the airport. The development aims to provide an inclusive urban settlement offering various complementary uses (incorporating industrial, commercial, residential and open space) to diverse income groups.

Cornubia is a catalytic development spearheaded jointly by the eThekwini Municipality and the private company Tongaat Hulett Developments to promote mixed-income residential spaces. At the scale of the city of Durban, Cornubia is positioned to stitch together different races and incomes of Durban's wealthy northern area with lower-income areas such as Phoenix, Ottawa and Waterloo. The development plans to accommodate over 25,000 new homes – 10,000 to be affordable/middle-income and another 15,000 to be government-subsidised units. Locating affordable and subsidised units in such a mixed-use development demonstrates a different way of thinking about affordable housing that is connected to areas of economic opportunity as well as public facilities that include schools, clinics, police stations, post offices, and multi-purpose halls.

There are other similar projects around the country, where government works with private sector investors to scale up human settlement delivery. The primary role of government is to deliver Human settlement bulk infrastructure and social housing:

- eThekwini Municipality (Keystone Logistics Park);
- City of Cape Town (Maitland);
- City of Tshwane (Green Creek);
- City of Tshwane (Mooikloof);
- Nelson Mandela Metro (N2 Nodal Development);
- John Taolo Gaetsewe DM (Kathu Industrial Park);
- City of Johannesburg & Madibeng (Lanseria Smart City Development)
- City of Johannesburg (Lufhereng mixed housing settlement)

Source: South African Cities Network, 2020, Built-Environment-Integration-Practices-Report

Community Participation

Community participation has been encouraged in housing development projects as a crucial aspect of addressing housing and settlement issues, promoting sustainable development, and empowering local communities. To enhance community involvement and empowerment, the government introduced the People's Housing Process (PHP) as an innovative approach to housing development and delivery, especially for those living in informal settlements, to actively engage in planning, designing, and constructing housing units. The programme is supported by government subsidies, technical guidance, and facilitation to ensure that housing projects meet basic quality and safety standards. This is aligned with the Habitat III New Urban Agenda.

Local municipalities also play a critical role in engaging communities and facilitating their participation in housing and human settlement decisions by incorporating community input into Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs). Some municipalities in South Africa have embraced participatory budgeting, allowing community members to have a say in allocating resources for housing and infrastructure projects.

Key challenges requiring greater attention

The slow pace of spatial transformation

Recognising the challenge of slow pace of spatial transformation, the Priority Human Settlements and Housing Development Areas (PHSHDA) programme was introduced in 2020, declaring 136 PHSHDAs in accordance with the Housing Development Agency Act 23 of 2008.

Housing demand versus supply backlogs Demand

The challenge of providing affordable, suitable accommodation to poor households has been heightened by population growth, migration, reductions in household size, and urbanisation trends over the last thirty years. For instance, the population in urban areas and cities grew from 52.5% in 1991 to over 67.85% in 2021.

The persistent housing backlog has led to long waiting lists, i.e. an ever-increasing Housing Demand Database. It has become a key reason for service delivery protests, demands for economic access, inclusion, and plans to address the growing inequality. According to the National Housing Needs Register (NHNR)[170], 2 456 774 registrations on 31 March 2023 are still awaiting assistance. The increasing housing deficit comes against the backdrop of a significant decline in the delivery of state-subsidised housing since 2010. Housing delivery in recent years has halved since 1998.

The slowdown of public housing provision is associated with institutional capacity constraints within municipalities, provincial departments and state entities involved in housing delivery and finance, including a lack of M&E, too much red tape, fragmentation, and lack of coordination. Secondly, there are limited resources and budget constraints due to fiscal pressures, such that the human settlement development grant more than halved in five years. There are limitations on the scale and quality of housing projects that influence the delivery of serviced sites and houses. The declining availability of land resulting in high prices makes it difficult to find land for large housing projects in well located thus one of the contributing factors for the continuation of building houses in the periphery. There is also growing distrust from communities, who resist or oppose housing projects for various reasons, including concerns about location, design, displacement, or lack of consultation with the community. Finally, there are delays and inefficiencies in the construction process, such as shortages of building materials, labour disputes or technical challenges and recently the construction mafia.

Figure 69: Delivery trend of housing and serviced sites 1998 - 2019
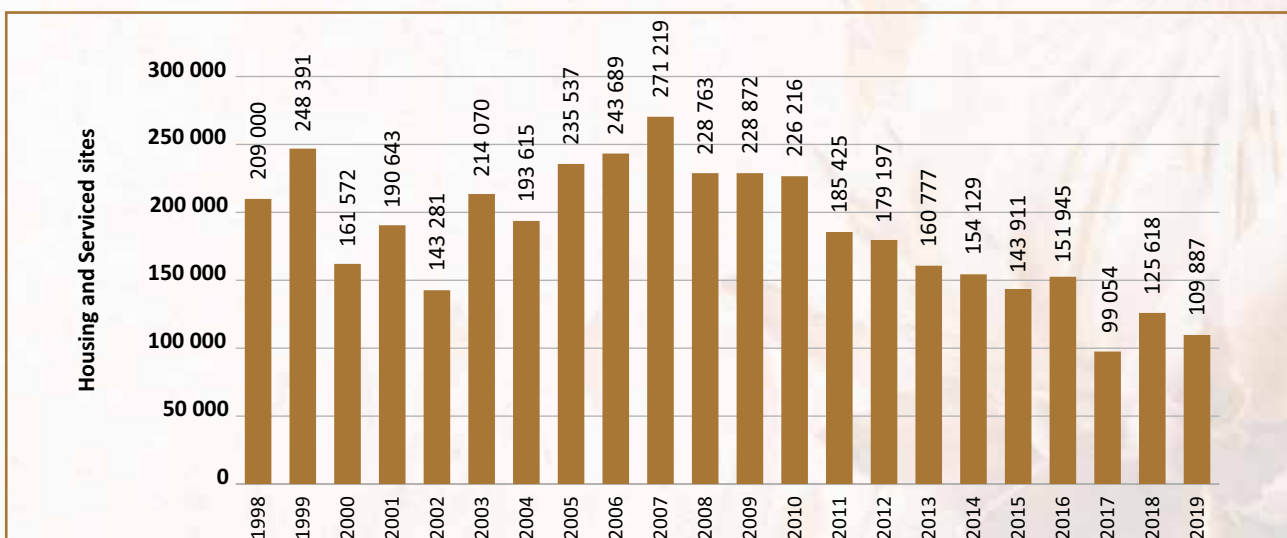
Source: Centre for Risk Analysis, 2021

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[170] The Department of Human Settlements has a National Housing Needs Register (NHNR) which is an application that is designed to register households/ individuals and their housing needs in South Africa.

Affordability and a broken housing ladder

The resale market is not functioning effectively at the lower end. A title deeds backlog and a high incidence of informal transactions undermine healthy market functioning and constrain transaction values. This means households cannot leverage equity to move up the property ladder. With more and more people not selling their homes due to a lack of affordable options to move up the housing ladder, the housing market remains underdeveloped as supply is reduced. A dysfunctional property market is created, with financial institutions reluctant to issue loans in these areas. Apart from government-subsidised housing programmes, entry-level properties (houses under R300 000) financed by the private sector were limited, with only 11% of resale transactions in the entry market being bonded. The availability of affordable housing (houses worth R300 000 – R600 000), whether in the new-build or resale market, has been declining steadily since 2015[171]. Among the measures to overcome this challenge are the rent-to-buy programme, combined with the FLISP programme, which has great potential in South Africa to facilitate a pathway to ownership.

Strategic land availability

Efficient assembly and release of appropriately located land for housing is critical to spatial transformation but remains a challenge. Underlying factors include slow and complex land identification, high land costs, allocation and development processes and lack of sufficient investment in land for human settlement purposes. The absence of a coherent and inclusive approach for acquiring, planning, and developing land for human settlements continues to impede timeous housing delivery.

Escalating challenge of informal settlements and inner-city informality

Despite progress made in upgrading of informal settlements, major gaps remain. Approximately five million people in 2022 were still living in these sub-standard conditions.[172] Informal settlements often emerge in locations considered unsuitable because of environmental hazards such as flooding, landslides, or proximity to rivers, on steep slopes or in areas with unstable terrain, which may be hazardous for residents, particularly during adverse weather conditions. Some informal settlements are near industrial zones or waste disposal sites, exposing residents to environmental pollutants and health hazards. Consequences of this reflects in most cities, with the growing number of evictions, protests, and the continuing land grabs that have been occurring in the urban areas of South Africa. Upgrading informal settlements is slowed down by regulatory compliance and need for careful planning and resource allocation as well as lack of access to well-located land.

Increased requirement for disaster response, recovery, and resilience building

The reality of climate change is affecting human settlements by exacerbating existing vulnerabilities to disasters and affecting everything from water supply to public health. Informal settlements are more vulnerable to the negative impacts of climate change, especially in vulnerable areas prone to flooding. The existing disaster management system is due for review in order to adapt to these changing requirements, and also learning from most recent spate of natural disasters.

Slow title deed delivery of subsidised housing

The issuing of title deeds to beneficiaries of government-subsidised houses has created backlogs, resulting in subsidy houses fail to integrate into the housing market, with the property not realising its market value when sold. Without formal registration, households cannot access asset-backed finance, significantly affecting the poor, especially women. The challenge dates as far back as 1994, and the delay in the transfer of title deeds is estimated at approximately 1.3 million government-subsidised properties, and amounting to an estimated R242 billion in assets. The Title Deed Restoration Project (TDRP) was introduced in 2014 but failed to achieve its purpose. Operation Vulindlela interventions is underway to address these hindrances.

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171   CAHF. 2021. South Africa Housing Market Report-2020. Retrieved from: https://housingfinanceafrica.org/app/uploads/2021/03/Citymark-National-Property-Market-Report-3-March-2021-FINAL.pdf

172   Statistics SA, 2023. Census 2022.

SYNTHESIS REPORT

Ineffective coordination of holistic human settlement development

There is a lack of clarity about the respective planning powers and functions of the three spheres, which poses a challenge of creating synergy in the planning and implementation processes. For instance, municipalities must include integrated transport, housing, and spatial plans in integrated development plans, but authority and financial incentives reside with the provinces. Monitoring, support, and intervention are also inconsistent between the three spheres responsible for housing delivery. There is no clear delineation of monitoring roles between national and provincial spheres and no early warning and response systems for provincial/local failure. Targets are set at a national level to be executed by the provinces that receive funding, but they depend on municipal planning and the availability of bulk services. In practice, there is a considerable variation in expenditure between provinces, with mixed progress on outcomes and standards of delivery.

LESSONS TOWARDS VISION 2030

In the next ten years, South Africa should prioritise a comprehensive and holistic approach to human settlements and the space economy that addresses these ongoing challenges to create more equitable, sustainable, and inclusive communities. Flexibility and adaptability in response to changing circumstances are crucial in achieving meaningful and sustainable improvements in human settlements in the next decade.
The following priorities will need to be implemented in the next five years (2024-2029):

- Accelerated implementation of the National Spatial Development Framework and its integration within planning and budgeting across the spheres of government.

- Introduce measures to address coordination challenges between the three spheres responsible for housing delivery - at national, provincial, and local levels.

- Review or disaster management system to adequately address climate adaptation and smooth transitions.

- Improve urban planning and management to provide for the shift in population from rural to urban areas.

- Optimise, invest in, and support cities as engines of growth and development.

- Better quality spatial data that relates to demographic information and includes detailed economic and investment information to understand the critical drivers of development and facilitate coordinated investments across multiple actors.

- Finding sustainable solutions to informal settlement realities and invest in community driven initiatives.

- Promoting secure and equitable property rights for government-subsidised housing.

- Increase strategic land availability for human settlement projects, including prioritising state investment in better locations that can reduce spatial exclusion.

- Increase the availability of affordable housing options for low- and middle-income families.

- Leveraging the private sector, financial institutions, and the market to increase the supply of housing and the capital for housing provision and to support an equitable residential property market.

SYNTHESIS REPORT
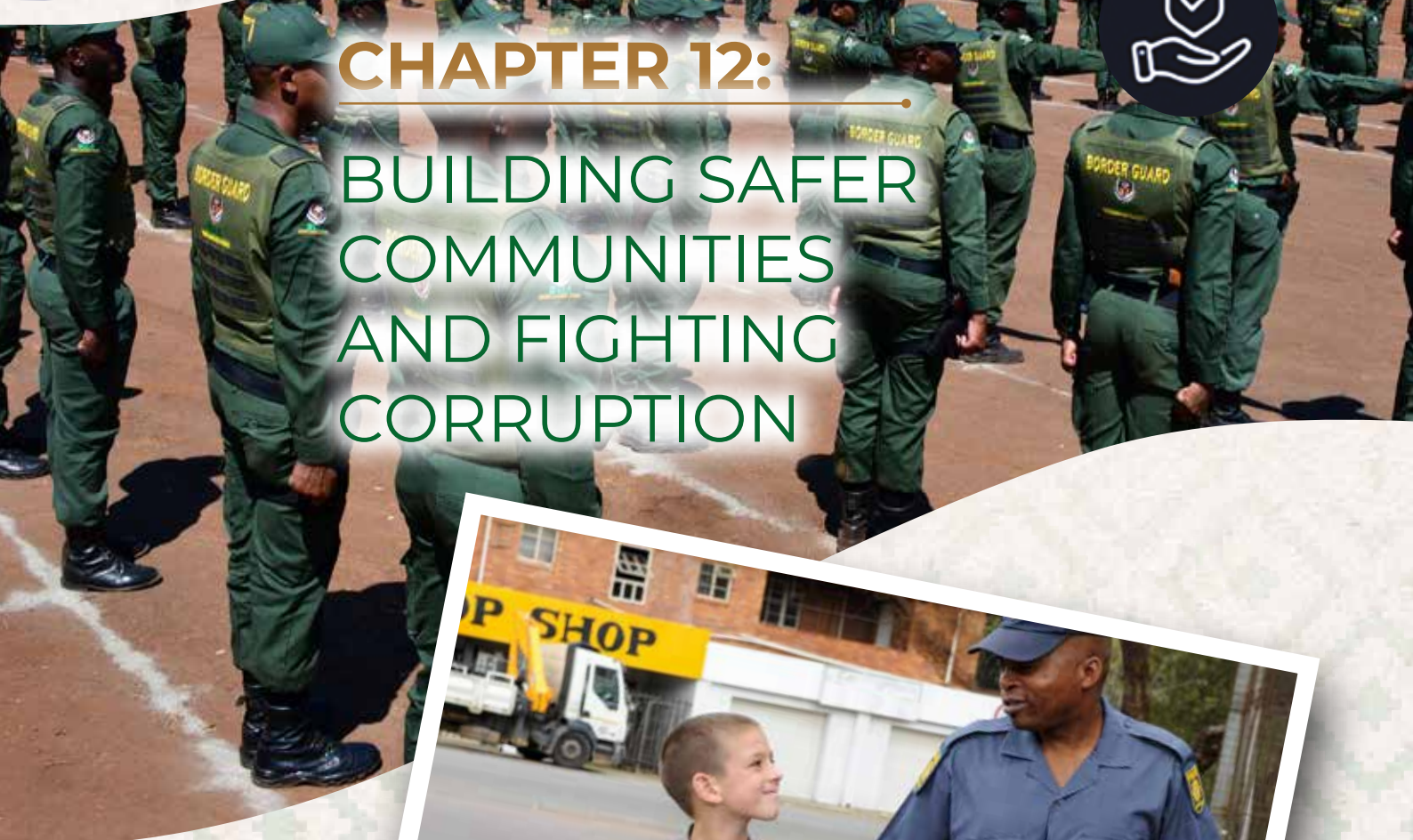
CHAPTER 12:

BUILDING SAFER COMMUNITIES AND FIGHTING CORRUPTION

This chapter assesses the government's efforts in building safer communities and fighting corruption. Safety refers to condition under which citizens are secure and protected from any form of harm, able to walk alone feeling safe during the day and at night. The chapter also deals with corruption, organized crime, and protection of the most vulnerable in society, enabling equal access to justice and efficiency of the criminal justice value chain in terms of conviction rates, case resolutions and correctional system.

In 1994, democratic South African inherited a complex set of challenges in the criminal justice system. Besides a fragmented security system, pre-1994 has largely been characterised by gross human and civil rights violations by various apparatus within the security system. Notable examples of its involvement include deployments through both the South African National Defence Force (SANDF) and the South African Police Service (SAPS) that were deeply intertwined with the legacy of the past, socio-economic disparities, and the political dynamics of the time. Examples include:

- A violent society with unreliable systems for crime information management.

- A climate of mistrust between citizens and law enforcement agencies, as the police had been used to suppress political dissent and maintain control;

- Gang activities, such as drug trafficking, extortion and other forms of organised crime;

- Illicit drug trade, with South Africa serving as both a transit and a destination point for drug trafficking;

- Gender-Based Violence (GBV);

- A lack of basic safety infrastructure and services makes communities vulnerable to crime;

- Organised criminal networks, some with political connections;

- Limited law enforcement capabilities and resources in rural and marginalised areas and;

- A lack of trust in government institutions due to the repression of the past.

Addressing these challenges requires a comprehensive and multifaceted approach beyond traditional law enforcement. The new government has had to consider socio-economic development, community engagement, education, and transformation of institutions to combat crime effectively while also building a more just and equitable society.

OVERRIDING NATIONAL ASPIRATIONS

The 1994 RDP outlined the government's vision for ensuring safer communities in the country.

The NDP envisions that people in South Africa will feel safe and have no fear of crime. Key outcome areas targeted in the MTSF include improved citizen perception of feeling safe walking alone during the day and at night and reduced levels of serious crime (property, contact, theft, commercial, arson, sexual offences, etc.). To achieve all these, the personnel, equipment, technology, and operational network resources must be adequate to combat local and cross-border crime. A United Nations (UN) standard of one police officer for every 220 in the population would apply. International organised crime, such as human and drug trafficking, illicit trade, terrorism, and cybercrime, require specialised approaches and collaboration with other countries. Safety and security also protect territorial integrity, including the borders, ports of entry, and the ocean's territory.

Priority is given to combating the levels of fraud and corruption in the public and private sectors to improve the Corruption Perception Index (CPI) from an international perspective, given its relevance to doing business and investment. This has relevance to the Justice, Crime Prevention and Security (JCPS) Cluster. Therefore, measures taken to complete investigations and achieve the highest conviction rates possible out of all the cases enrolled in courts are crucial.

A safe and secure country encourages economic growth and transformation and addresses factors such as poverty, inequality, and unemployment. This chapter reviews the institutional alignment of the criminal justice system in achieving the above democratic provisions, as envisioned in the Constitution, and the challenges arising in creating safer communities.

LEGISLATION, KEY POLICIES AND PROGRAMMES

With the transition to democracy, the fight against crime was deemed a national priority. In the first decade of democracy (1994-2004), apart from the Constitution, transformative legislation and policies that were adopted, including the South African Police Service Act (1995), the National Crime Prevention Strategy (NCPS) (1996), and the White Paper on Safety and Security (1998).

The Correctional Services Act 1998 (Act 111 of 1998, as amended) laid the groundwork for a modern correctional system that recognises inmates' rights. The second decade of democracy (2005-2014) saw the implementation of digital systems for biometric identification, including the Person Verification System. Legislative acts such as the Child Justice Act (2008) and the Firearms Control Amendment Act (2006) were enacted to adapt to evolving societal needs.[170]

The White Paper on Safety and Security (2016) and the White Paper on Policing (2016) outlined strategic approaches. New legislative acts addressed diverse issues, including cybercrime, anti-corruption efforts, and border management.

Other notable developments include the establishment of the Investigating Directorate in the National Prosecuting Authority (2019), policies addressing gender-based violence, and acts such as the Protection from Harassment Act (2011). Explicitly concentrated on the experience of the last five years (2018-2023), there has been a continued focus on legislative and policy developments to enhance crime prevention, justice, and safety in the country. Some of the highlights of this sub-period include:

- The National Prosecuting Authority (NPA) established the specialised Investigating Directorate (ID) in 2019. This was in response to matters related to State Capture and to implement the Prevention of Organised Crime Act 121 of 1998 (POCA). The National Anti-Corruption Strategy (NACS) was introduced in 2020 to provide a coordinated approach to prevent and combat corruption across government and civil society.

- International collaborations were established in order to strengthen national border security. The Border Management Authority Act of 2020 and subsequent initiatives such as the One-Stop-Border-Post Policy of 2021 aimed at better border control. South Africa's commitment to international collaborations was evident through its membership in the OECD Working Group on Bribery and adherence to Financial Action Task Force (FATF) standards. In 2022, legislative amendments, including the General Laws (Anti-Money Laundering and Combating Terrorism Financing Amendment Bill) and the POCDATARA Act Amendment Bill, strengthened the country's stance against money laundering, terrorist financing, and related activities.

- In 2017, South Africa took a significant step forward in addressing gender-based violence with the approval of the Policy on Reducing Barriers to Reporting on Gender-Based Violence. This policy aims to tackle challenges citizens face when reporting domestic violence and sexual offences. It outlines measures to enhance victims' access to justice by reducing barriers to reporting domestic violence and sexual offences. Building on this, legislation such as the Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2021 and the Domestic Violence Amendment Act, 2021 further aimed to address the pressing matter of sexual offences and domestic violence facing the country. The SAPS integrated Sexual Offences and Gender-Based Violence Action Plan aimed to coordinate efforts against GBV. Anticipating future challenges, South Africa is currently addressing the issue of hate crimes with the Hate Crimes and Hate Speech Bill of 2016. This legislation was passed in March 2023 and will become law once the President has signed it. These legislative efforts reflect the ongoing commitment to creating a safer and more inclusive society.

- In 2020, South Africa enacted the Cybercrimes Act 19 of 2020. This legislation targeted cybercrime offences, criminalising data disclosure and granting extensive powers to SAPS for investigation and seizure with the appropriate warrants.

- Collectively, these legislative and policy initiatives aim to create a safer, more just society, addressing a broad spectrum of issues from traditional policing to emerging challenges like cybercrime and corruption. The multifaceted approach involves collaboration with international bodies, adherence to global standards, and continuous adaptation to the evolving landscape of crime and justice.

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[170] Presidency's 10-, 15-, 20- and 25-Year Review reports.

MAJOR MILESTONES AND ACHIEVEMENTS

Galvanising Society Against Crime

The democratic government inherited a violent society with a high crime rate and a corrupted culture of crime information management. The whole culture of policing needed to change and a new brand of South African Police Service (SAPS) was adopted, together with a new culture of building relations with communities. Systems for properly recording crime information and greater transparency on crime data needed also had to be introduced.

Constructive involvement of communities in the activities of the SAPS and government as a whole in combating crime has proven valuable in improving the relationship between SAPS and communities. In respect of community empowerment and policing, the "Community-in-Blue Concept" was introduced in 2018, striving to standardise the establishment of Community-in-Blue patrollers within the SAPS. This initiative encompasses street committees, neighbourhood watches, and community patrollers, encouraging greater citizen participation in structured crime prevention. The "E2 Concept (Eyes and Ears)" also emerged in 2018 as a collaborative effort in the fight against crime, involving SAPS, Business Against Crime South Africa (BACSA), and the Private Security Industry. This was followed in 2020 by adopting the Community Policing Strategy to enhance community-police partnerships in the fight against crime.

Other notable policing strategies that were introduced during this period. The 2019 Rural Safety Strategy emphasises an integrated day-to-day policing approach to create a safe and secure rural environment. The Integrated Crime and Violence Prevention Strategy (ICVPS) was also initiated in 2020, focusing on community safety and advocating for whole-of-government planning. In 2022, the Integrated Youth Crime Prevention Strategy focused on addressing youth crime, while the Integrated Tourist Safety Action Plan, a partnership between SAPS and the Department of Tourism, was introduced to address challenges facing tourist safety in the country.

Public perceptions regarding crime management, reflected in survey-based evidence, indicate fluctuations over the years, with a general trend of perceptions of safety still representing a substantive concern, which has a bearing on overall police confidence. Victims of Crime Survey data routinely provide statistics relating to the extent to which individuals feel safe (or would feel safe) walking alone in their areas of residence during the day and when it is dark. Over the 2007 to 2022/23 period, perceived safety in one's area during the day ranged from 76% in 2007 to 88.4% in 2011, suggesting that a relative minority felt unsafe during the daytime. By comparison, over the period, feelings of safety in one's area of residence after dark varied from a low of 23% in 2007 to a high of 41.8% in 2019/20. This pattern indicates a longstanding and persistent crime challenge, with a significant portion of the public feeling unsafe in their residential areas after dark over the observed years.

Figure 70: Victims of Crime Survey: Feelings of safety (%).
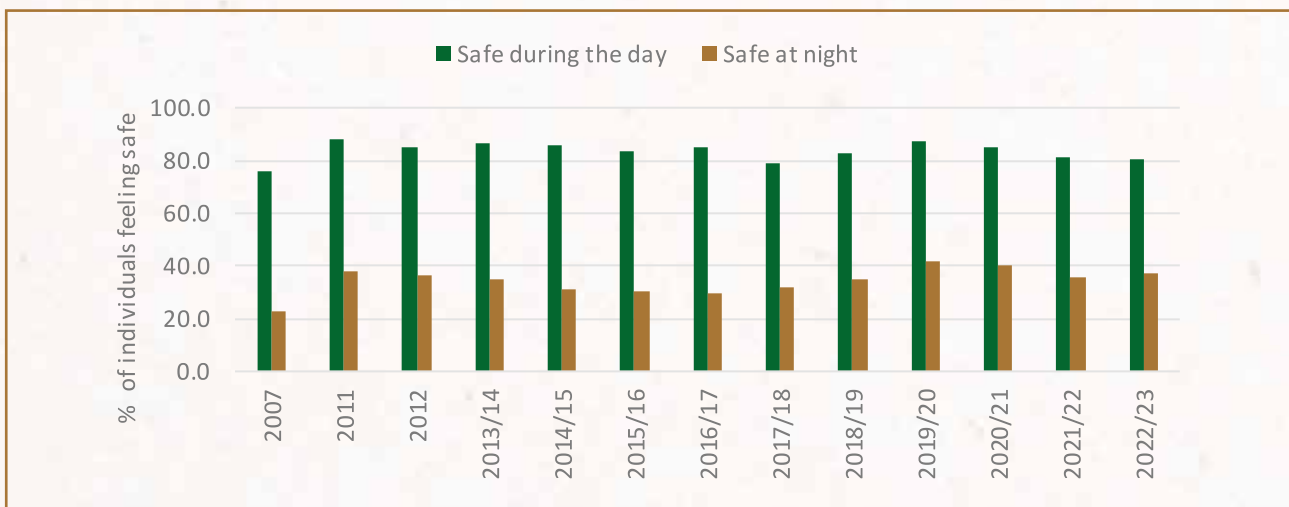
Source: Statistics South Africa, Victims of Crime Survey series.

The early post-1994 era witnessed a surge in particular types of crimes, attributed partly to the shifting political landscape, socio-economic disparities and the reintegration of previously marginalised communities. Political unrest and economic challenges influenced crime during the 1990s and early 2000s.

Continuous efforts to tackle serious crimes reveal a mixed picture. While there was a decline in contact crimes from the early 2000s, recent years have seen a resurgence and heightened concerns of high crime rates. Concerns about violence against women and children persist, with reported cases on the rise. Initiatives such as Victim-Friendly Rooms and Femicide Watch aim to address GBV, providing support and data analytics for strategic interventions.

Noteworthy improvements have been observed in citizens' perceptions of safety and confidence in law enforcement agencies. Technological advancements, particularly in crime analysis and predictive policing, have enhanced law enforcement's ability to effectively target high-crime areas and allocate resources. Furthermore, establishing and engaging Community Policing Forums (CPFs) contribute to localised progress in addressing community-specific crime concerns.

The establishment and involvement of Community Policing Forums (CPFs) in crime prevention and community engagement have contributed to localised progress in addressing crime concerns. Recent achievements in community-based crime prevention in South Africa have occurred through implementing the Community-in-Blue Concept and the Safer Cities Framework. Stemming from the Community Policing Strategy, the Community-in-Blue Concept was introduced in all nine provinces in 2020/21. This initiative mobilises and encourages community members to collaborate with the police, acting as eyes and ears on the ground to enhance police visibility and ultimately reduce crime. Additionally, the Safer Cities Framework, aimed at achieving crime-free cities or districts, was launched in 10 pilot cities in 2020/21 and expanded to 10 cities/towns in 2021/22. In 2022/23.

Reducing serious crimes

Despite persistent violent crimes, the overall trend of serious crimes has declined, from 2,7 million in cases 2003 to approx. 1,7 million cases in 2022 These levels are, however, still too high by any standard.

Patterns show that, during the early 2000s, contact crime was at its highest. These crimes steadily declined between 2005/06 and 2012/13; between 2018/19 and 2022/23, contact crime was at its lowest observed level. However, in 2022/23, contact crime rose to the highest peak in a decade. It is still evident that the country remains violent due to the recorded increases in murder, sexual offences, attempted murder, common robbery, and robbery with aggravating circumstances. Trio crimes, that is house robberies, business robberies and carjackings, have increased substantially over time.

South Africa faces significant multifaceted challenges in relation to violent crime. Factors underlying this issue include high crime rates, eroded public trust in law enforcement due to corruption and misconduct, gang and taxi-related violence, widespread availability of legal and illegal firearms, socio-economic disparities, an illicit drug trade fuelling criminal activity, and delays in the legal process. Murder cases increased to 27 483 by 2022/23. Murder and other contact crimes, such as sexual offences, assault, and robbery, were declined during the COVID-19 lockdown in 2020/21 through restricted movement and increased police visibility. Still, there has since been a resurgence in these crimes. Other serious crimes like Cash-in-Transit (CIT) robberies and aggravated robberies remain pressing concerns, including political related killings in local government especially around the KZN province.

The fight against organised crime has proven challenging due to sophisticated criminal groups exploiting weaknesses in law enforcement, operating internationally, and employing corruption and advanced technology. The drug trade and its recruitment of vulnerable youth further complicate crime reduction. In response, national crime prevention operations have been implemented to address crime trends, enhance police functions and create safer communities.

Figure 71: Trends in violent, property and trio crimes, 1996/97–2022/23.
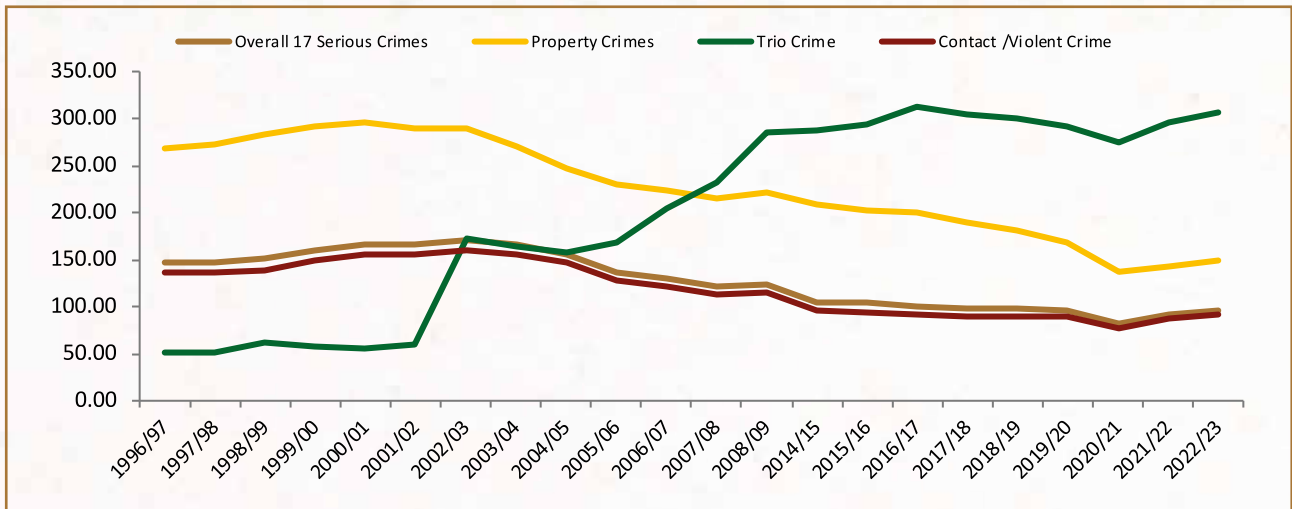
Source: SAPS.

Addressing gender-based violence inclusive of LGBTQI+ communities

In response to the increasing levels of violence against women and children recorded between 2014/15 and 2022/23, the government has implemented various strategies and initiatives to combat gender-based violence (GBV), femicide, and crimes against women and children as well as hate crimes directed at LGBTQI+ communities. In particular, the introduction of the Femicide Watch in 2018, a first in Africa, aims to optimise data analytics for more effective interventions against GBVF cases. Recent legal reforms, such as the Criminal and Related Matters Amendment Act of 2021, have tightened bail provisions and permitted tougher sentences in cases of GBVF. Public awareness campaigns addressing issues such as GBVF and domestic abuse have also contributed to increased awareness and reporting of such crimes.

In South Africa, there is a concerning rise in crimes against women, mainly targeting lesbian and transgender individuals. Despite the existence of the National Intervention Plan aimed at combating violence and discrimination based on sexual orientation, gender identity, expression, and sex characteristics (SOGIESC), hate crimes against this vulnerable group persist, highlighting a gap between policy and effective implementation. LGBTIQ+ individuals face secondary victimisation when reporting hate crimes, often encountering discrimination from public officials. Transgender, lesbian, and gay learners experience severe harassment from educators, with some children being pressured into conversion therapy by churches and rehabilitation centres.

Activation of the National Register for Sex Offenders

The establishment of the National Register for Sex Offenders (NRSO) in terms of the Criminal Law (Sexual Offences and Related Matters) Amendment Act is a major step towards a growing challenge of sex offenders and child pornography in particular. The NSRO is intended to collate information from relevant departments, namely SAPS, Department of Correctional Services, and the Department of Health relating to convicted sex offences against children, persons with mental disabilities including the elderly.

Specialised units and technology use in fighting crime

Specialised units/task teams established to combat specific types of crime, e.g. Directorate for Priority Crime Investigations (DPCI), Special Investigating Unit (SIU), Anti-Gang Unit, Anti-Corruption Unit, Organised Crime Unit, Economic Infrastructure Task Teams (EITTs), etc., have shown promise in addressing certain types of crime and corruption activities.

Technology use in crime analysis and predictive policing has enhanced the government's ability to target high-crime areas for effective interventions. SAPS, working with communities through the Community Policing Forums (CPFs), and collaborations with the private security industry have contributed to the success. The recent social compacting with the private sector is also very important in fighting crime.

Fighting corruption

Corruption undermines the government's ability by diverting scarce resources for crucial service delivery programmes. The country has taken steps to address corruption through legal frameworks such as the Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA) and the establishment of entities such as the Special Investigating Unit (SIU) in 1996 and the Directorate for Priority Crime Investigation (DPCI) in 2009. High-profile corruption cases, investigations, and efforts to address corruption within law enforcement and other sectors demonstrate a commitment to combating corruption at various levels.

The battle against corruption remains challenging, with the Corruption Perception Index showing limited improvement over time. Legislative measures and high-profile cases demonstrate a commitment to combating corruption at various levels. South Africa grapples with organised criminal groups and drug syndicates, prompting the establishment of specialised police units and legal measures targeting specific crimes. National security concerns are addressed through efforts to combat organised crime, cybercrime, and border management. Challenges in these domains are acknowledged, and measures are being taken to neutralise criminal groups and enhance cybercrime awareness. The newly established Border Management Authority focuses on improving control and security at entry points.

The Department of Correctional Services (DCS) faces challenges related to overcrowding and evolving security threats. Efforts to improve security training and capabilities have reduced escapes and improved correctional facilities' conditions.

In conclusion, South Africa has made strides in addressing crime and corruption and improving public safety. However, persistent challenges, such as increasing contact crimes and violence against vulnerable groups, underscore the need for ongoing initiatives that involve communities, enact legal reforms, and implement targeted law enforcement strategies. The commitment to addressing these challenges is evident in legislative measures, community engagement, and specialised law enforcement efforts.

Neutralising organised criminal groups and drug syndicates

South Africa faces challenges related to organised criminal groups and drug syndicates, and efforts have been undertaken to neutralise them and address gang violence. Between 2020 and 2023, these efforts neutralised 26 out of 87 identified criminal groups or syndicates, leading to 135 arrests. In addition, 20 out of 68 identified drug syndicates were neutralised, resulting in 90 arrests. The specialised police units/ task teams established to combat specific types of crime, such as the anti-gang unit, anti-corruption unit, organised crime unit, Economic Infrastructure Task Teams (EITTs), etc., have shown promise in addressing certain criminal activities.

Safety of national borders

Efforts to maintain national security focus on addressing vulnerabilities at border crossings, which are prone to drug trafficking due to high traffic and complexity. Criminal organisations and individuals may attempt to smuggle drugs across these borders to profit from the illicit drug trade. Serious organised crime, a national priority offence, is investigated by the DPCI through threat-based, project-driven approaches. Border safeguarding was initiated again by the Defence Force (SANDF) in 2010, and involves deploying land, air, and maritime assets to secure the country's borders. In April 2023, the Border Management Authority (BMA) was fully established as a PFMA Schedule 3A public entity, contributing to progress in border security. Achievements to date include implementing a Biometric Movement Control System in 34 ports of entry, increased immigration inspections, and progress with deportations.

Progress has been made in tackling the growing challenge of cybercrime, which refers to criminal offences conducted over the internet or through computer networks, such as unlawful data access or hacking, cyber fraud, forgery and identity theft, online scams, and the distribution of messages inciting harm. Cybercrime is a global phenomenon and essentially borderless. The rapid expansion of information technology and Internet services has enabled cybercriminals to simultaneously conduct their unlawful activities over various local and international jurisdictions. The DPCI operates under the mandate to investigate serious and transnational cybercrime cases. The prevalence of cybercrime necessitates a multi-disciplinary approach. The DPCI collaborates with the cyber security industry and intelligence community to enhance cyber threat detection and prevent transnational cybercrimes. There has been consistent improvement in meeting performance targets, specifically in finalising specialised cyber-related support case files within 90 calendar days, increasing from 35% in 2018 to 65% in 2023.

Correctional Services

The Department of Correctional Services (DCS) plays a critical role in the criminal justice process and manages a correctional system. Over the years, the Department has seen security improvements, culminating in reduced escapes, assaults, injuries, and unnatural deaths, attributed to effective prevention strategies. Since 1994, community corrections have become a core component of the South African criminal justice system. Community corrections provide a valuable and less costly alternative to incarceration, with a focus on rehabilitation and reintegration, thus reducing the incarcerated offender population. Reintegration of offenders under the community corrections system allows them to lead socially responsible and crime-free lives within their communities. Overall, these efforts reflect progress in maintaining safe, secure, and humane conditions within the correctional system.

There is a challenge of increasing inmate numbers and overcrowding. The increase in South Africa's inmate population is intricately linked to broader societal challenges, including poverty, lack of education, unemployment, substance abuse, racial disparity, exposure to criminal influences, and mental illness. This indicates a need to shorten the turnaround times and length of stay before trial. These complex societal issues cannot be addressed by a single state agency or solely by the criminal justice system. A criminal justice response to some of these factors often occurs because other service systems have not been adequately funded or developed, or they have shifted the responsibility for addressing the issue to the criminal justice system. Other factors contributing to overcrowding levels in correctional facilities include punitive justice policies, inefficiencies, limited access to justice, and inadequate social reintegration programmes. Despite efforts post-2000 to manage overcrowding, the inmate population in the country steadily increased, and recent trends show a notable rise, up 11.43% over the three years between 2020/21 and 2022/23, to pre-pandemic levels. The incarceration rate per 100,000 continues to significantly exceed the international average.

The severe overcrowding in correctional facilities is stretching resources and hampering rehabilitation efforts, educational and vocational training, as well as recreational activities. It raises the risk of communicable diseases, mental illness, substance misuse, violence, and self-harm within the facilities. The growing inmate population, coupled with a shortage of facilities, underscores the need for needs-based rehabilitation programmes. The lack of a proportional increase in correctional facilities or budgets requires prioritisation to ensure inmates' basic needs are not compromised.

In line with the White Paper on Corrections in South Africa (2005), the Department of Correctional Services has adopted an offender needs-based approach to eliminate offending behaviour. The benefits include reduced correctional facility costs and promotion of labour-intensive, community-based development projects. While meaningful activities and partnerships with NGOs and faith-based organisations contribute to positive corrections environments, several challenges hinder rehabilitation efforts. The COVID-19 pandemic led to a decrease in offender attendance in correctional programmes, which was exacerbated by transfers, disciplinary infringements, release of court orders, parole and correctional supervision, and resource shortages in correctional facilities.

KEY CHALLENGES REQUIRING GREATER ATTENTION

Police personnel workforce

The current police population ratio is 1:417 per 100,000, two times less than the United Nations standard of 1:220. SAPS personnel numbers have declined over the past decade, from 157,472 in 2011/12 to 139,901 in 2021/22. The density of police stations has flattened to just over 1100 over 12 years.

Figure 72: Police population ratio per 100 000

The negative impact of cybercrime

Like many other countries, South Africa grapples with significant challenges related to cybercrime. Key issues include the rapidly evolving nature of cybercrime, requiring specialised skills for investigation in digital forensics, computer programming, and data analysis. The transnational aspect of cybercrime makes it challenging for law enforcement, as criminals can operate globally, hiding behind proxies and encryption. Underreporting due to embarrassment, weak cybersecurity infrastructure, and a lack of awareness all contribute to increased vulnerability and, by extension, to the negative impact of cybercrime on the economy and the well-being of citizens.

LESSONS TOWARDS VISION 2030

Over the long term, the overall trend on serious crimes (property, contact, theft, commercial, arson, sexual offences) declined from 2.7 million recorded cases in 2003 to about 1.7 million cases in 2022. These levels are still too high by any standard.

Recently, there has been a resurgence of contact crime and violence against women and children. Crimes that remain in the public eye include cash-in-transit-heists, politically motivated killings, illegal mining, mafia gangs, taxi violence, vandalism of public infrastructure for cables and steel, as well as human and drug trafficking. International organised crime, such as human and drug trafficking, illicit trade, terrorism, and cybercrime, require specialised approaches and collaboration with other countries. Efforts to strengthen border control should continue with the functioning of the Border Management Authority (BMA) and the SANDF. Social unrest and looting in recent years have presented significant policy challenges. All these factors influence the citizens' reality and perception of feeling safe or unsafe, as well as assessment by investors about South Africa as a place to do business.

Technology use in crime analysis and predictive policing has enhanced the government's ability to target high-crime areas for effective interventions. SAPS, working with communities through the Community Policing Forums (CPFs), and collaborations with the private security industry have contributed to the success. The recent social compacting with the private sector is also very important step in fighting crime.

Strategic thrust going forward should be rebuilding the capability of the criminal justice system in terms of personnel, equipment, technology, and operational networks to combat crime and disrupt corruption. Efforts to replenish the South African Police Service (SAPS) should be continued, especially given the decline in SAPS personnel over the past decade (from 155 531 in 2012/13 to 145 246 in 2022/23) and the inadequate density of police stations. At 417 per 100,000 people, South Africa's Police to Population ratio is twice less than the United Nations standard of 1:220. A 10-year planning horizon should be adopted in resourcing the criminal justice system value chain.

The Integrated Crime and Violence Prevention Strategy must be implemented and effective measured to engage society be mobilised. There is also a need to expedite the finalisation of the National Security Strategy to promote peace and address threats to South Africa's national security.

On the correctional services, a thorough evaluation of the Parole System must be undertaken in order to inform the needed improvements with regard to pre-release interventions, decision-making processes by parole boards and re-integration of parolees into society, as well as attendant consequence management protocols.
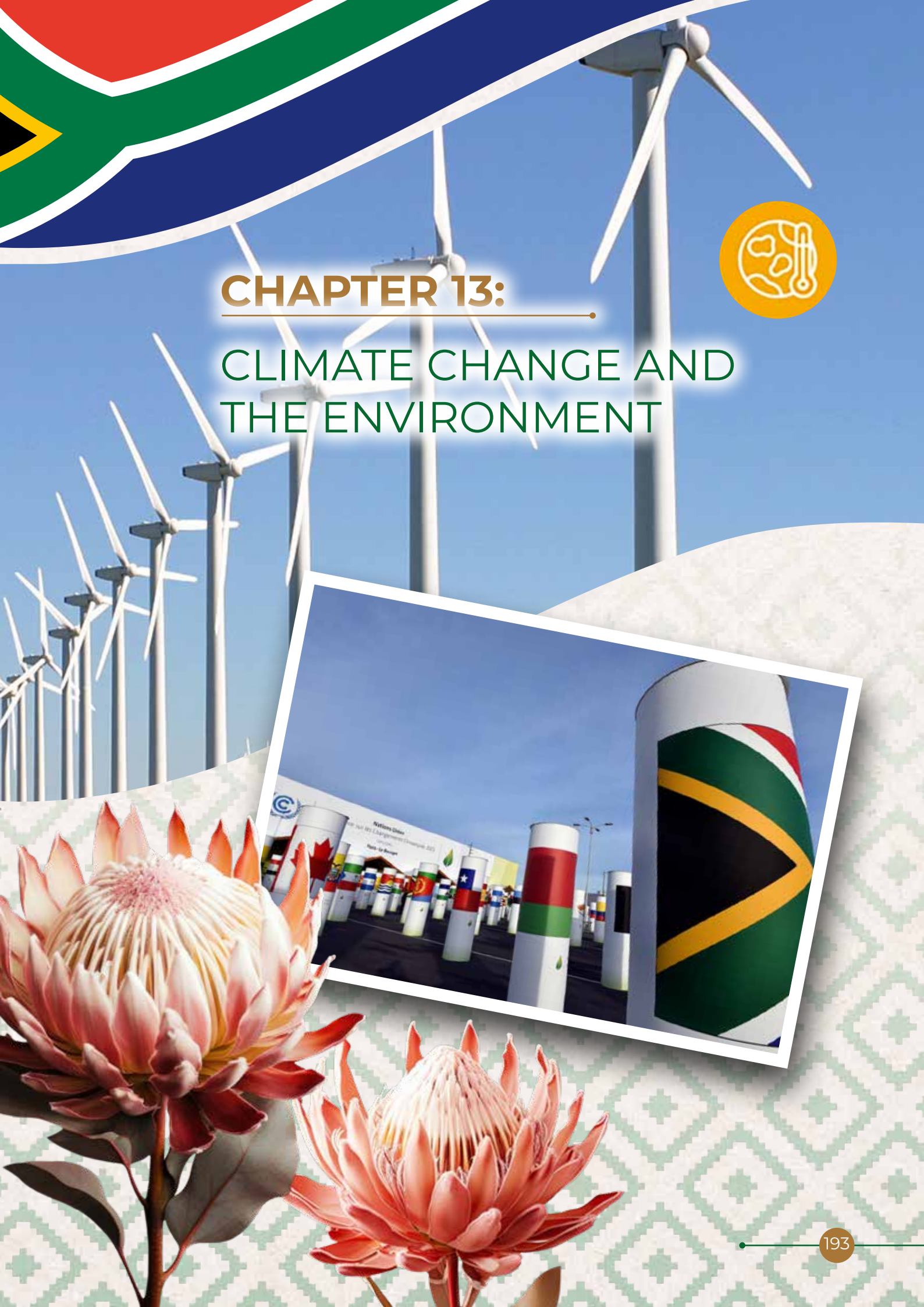
CHAPTER 13:

CLIMATE CHANGE AND THE ENVIRONMENT

This chapter looks into the changing nature of environmental matters, the evolution of the government's environmental policy management approaches, covering water, air quality, biodiversity and protected areas, waste, coastal management as well as heritage sites. It also covers more contemporary processes for country engagement in the climate change discourse and the global positioning concerning this, and other environmental matters.

Historically, forced removals uprooted black communities from their homes and moved them to segregated townships on the outskirts of cities or to underdeveloped "homelands". These forced removals and resettlements of communities often resulted in the disruption of natural ecosystems, changes in land use patterns, deforestation and changes in land cover, contributing to overall environmental degradation.

Whilst townships were already characterised by inadequate infrastructure and overcrowding, enforced spatial segregation and migrant labour practices further intensified this. The result was the development of informal settlements characterised by insufficient infrastructure, waste management structures, and sanitation, which contributed to environmental pollution and contamination of water resources.

While the mining sector (mainly gold and diamond mining) contributed significantly to the economy, there was inadequate attention given to regulations and a lack of consideration for ensuring environmentally sustainable practices. Environmental consequences that remain include air and water pollution, soil degradation, desertification and deforestation and human displacements.

The vast coal deposits and cheap labour enabled the country to build the coal-based energy became the principal energy policy. This not only established South Africa as an energy-intensive county but also as one of the world's least energy-efficient countries. This has caused massive atmospheric emissions (of carbon dioxide - CO_2 - the principal greenhouse gas), which has made the highveld area one of the most air-polluted hotspots in the world.

OVERRIDING NATIONAL ASPIRATIONS

Census 2022 shows that about 65% of the South African population live in urban areas, a trend that is expected to rise. By 2050, eight in ten people will live in urban areas, increasing the demand for basic infrastructure, including waste management.

The evolution of air quality management legislation has been marked by a transition from the Atmospheric Pollution Prevention Act 45 of 1965 (APPA) to the National Environmental Management: Air Quality (NEMAQA). Since its promulgation, South Africa has made significant strides in ensuring improvements in air quality, with over 130 ambient air quality monitoring stations nationwide. Despite this, pollution trends show that the country needs to meet the national ambient air quality standards on some of the pollutants, especially in the metropolitan municipalities and the priority areas of the Highveld, Vaal Triangle and Waterberg-Bojanala.

Water security and access remain a growing concern. Poor wetlands management, polluted and unhealthy river systems, and varying rainfall patterns contribute to declining water quality and quantity. The implications of these trends signal imminent threats to water security, which will inevitably lead to increased operational and maintenance costs for water treatment facilities, which will ultimately be passed on to consumers. Household waste also remains a huge threat to water systems in South Africa. Data from the Department of Environmental Affairs (2018) showed increased waste generation in South Africa, from 108 million tons in 2011 to 121 million tons in 2017.

Figure 73: Status of ecosystem and species threats
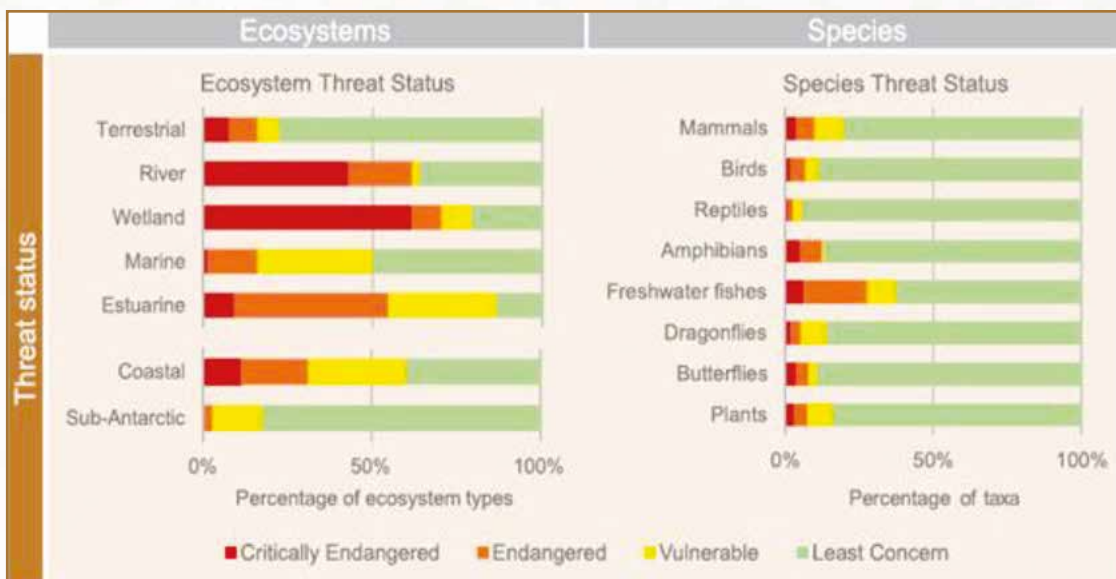
South Africa is one of the most biologically diverse countries, after Indonesia and Brazil. Two oceans surround the country. Whilst it occupies only about 2% of the world's land area, it is home to nearly 10% of the world's plants, 7% of the world's reptiles, birds and mammals, and 15% of known coastal marine species. South Africa has responsibility to protect these species from unsustainable harvesting and illegal trade.

The country has also been experiencing an increase in frequency and severity of natural disasters. Recent examples include the 2022 flood disasters affecting KZN, Eastern Cape, North West, Gauteng and Limpopo. This is part of a global phenomenon of climate change. Natural disasters, including floods, landslides, extreme temperatures, wildfires, epidemics, droughts, and storms have increased globally, causing the loss of lives, damage to property and other assets. Poor infrastructure, limited resources and inadequate adaptation strategies increases the level of vulnerability, especially in less developed areas.

On biodiversity, the 2023 Policy on the Conservation and Sustainable Use of South Africa's Biodiversity has the vision of an inclusive, transformed society living in harmony with nature, where biodiversity conservation and sustainable use ensure healthy ecosystems, with improved benefits that are equitably shared for present and future generations.

LEGISLATION, KEY POLICIES, AND PROGRAMMES

Over the years, a range of progressive and transformational policies, programmes, legislation and regulations have been enacted to address environmental management issues.

The National Development Plan 2030 (NDP 2030) emphasises the rights-based approach and sets specific targets towards a low-carbon and sustainable economy, and building resilience against climate change.

The Consultative National Environmental Policy Process (CONNEPP) was initiated at the onset of democracy, in August 1995, giving rise to the current regime of environmental laws. These included the National Environmental Management Act 107 of 1998 (NEMA) to enable the government to implement its environmental management policy. NEMA has two overriding principles that marked a breakaway from a protectionist approach followed previously under the Environmental Conservation Act: firstly, environmental management must place people and their needs at the forefront of its concern and serve their physical, psychological, developmental, cultural and social interests. Secondly, development must be socially, environmentally, and economically sustainable. The following sectoral acts were established following on the NEMA:

- National Water Act 36 of 1998 (NWA).
- World Heritage Convention Act 49 of 1999.

- National Environmental Management: Protected Areas Act 57 of 2003 (NEM: PAA).

- National Environmental Management: Air Quality Act 39 of 2004 (NEM: AQA).

- National Environmental Management: Biodiversity Act 10 of 2004 (NEM: BA).

- The National Framework on Sustainable Development of 2008.

- National Environmental Management: Waste Act 59 of 2008 (NEM: WA), and

- The National Environmental Management: Integrated Coastal Management Act24 of 2008) (NEM: ICM).

In 2005, the government created the Environmental Management Inspectorate (EMI or "the Green Scorpions"), whose role is to improve compliance and enforce new national environmental laws. This comprised a network of officials at national, provincial, and local spheres of government. The law enforcements also transcend environment sector to include justice and police for arrests and convictions on environmental crimes.

- A dedicated cooperative governance forum, MINTECH WG4, was established in 2006. It comprises national and provincial environmental departments and conservation agencies nationwide to improve environmental compliance and enforcement coordination.

- In 2023, the Cabinet also approved the National Integrated Strategy to Combat Wildlife Trafficking (NISCWT), which seeks to empower law enforcement structures with the necessary tools to reduce and prevent wildlife trafficking.

- Environmental authorisations, including Environmental Impact Assessments (EIA), Water Use Licence Applications (WULAs) and Atmospheric Emissions Licences (AEL), have been streamlined. These programmes are integral parts of developmental projects and ensure that the impact on the natural environment is contained. The Environmental Sector, through competent licencing authorities, has increased the processing efficiency of these authorities over the years.

KEY MILESTONES AND ACHIEVEMENTS

Climate change policy response

Climate change is considered one of the planet's most significant risks due to its far-reaching and interconnected impact on ecosystems, societies, economies, and global stability. Accordingly, the following policy and legislative interventions have been introduced:

- The National Climate Change Response Policy, introduced in 2011 to provide a framework for the country's response to climate change, including appropriate mitigation and adaptation strategies and response measures. The climate change response measures envision the transition to a climate-resilient and lower-carbon economy and society. This is supported by two objectives, which are (1) the effective management of inevitable climate change impacts among others emergency response capacity and disaster management, and (2) Making a fair contribution to the global effort to stabilise greenhouse gas (GHG) concentrations in the atmosphere.

- The National Climate Change Adaptation Strategy in 2020 to provide for coherent adaptation planning across the spheres of society, focussing on building resilience to the impacts of climate change and measures to address changes in temperature, precipitation patterns, and rising sea levels.

- The Climate Change Bill (2023) has been introduced to regulate activities contributing to climate change and ensure effective societal responses, and enhancing of adaptative capacity, strengthening resilience and reducing the vulnerability to climate change.

The Department of Science and Innovation led on the introduction of the South African Risk and Vulnerability Atlas, an evidence-based decision support tool to provide up-to-date information to support strategy development in risk and vulnerability. The Council of Scientific and Industrial Research (CSIR) developed an online tool that provides quantitative scientific evidence on the likely impacts that climate change and urbanisation will have on South Africa's cities and towns. This was done through a partnership with the National Disaster Management Centre (NDMC), universities, government departments, non-governmental organisations (NGOs) and other peer groups. This is arguably the most advanced research, observation, and climate modelling programme on the African continent.

Adopting the National Climate Change Adaptation Strategy by the Cabinet in 2020 provided a coherent adaptation strategy across different spheres of society. The MTSF 2019-2024 targets require that all the 44 districts demonstrate a level of preparedness to manage climate change. The Department of Forestry, Fisheries and Environment (DFFE) supported the development of provincial and district adaptation plans. These plans have ensured mainstreaming of climate change adaptation at provincial and local levels. Furthermore, through collaborative efforts, tools such as the "Let's Respond" Tool Kit, the Coastal and Vulnerability Assessment Tool, the Green Book, and the Risk and Vulnerability Framework have been developed to empower society to incorporate climate change into their lives. To improve the climate information system, the National Framework on Climate Services has been designed to bring together climate information generators and users to enhance the observation network and disseminate climate information.

The Long-Term Adaptation Flagship Research Programme (LTAS) was established in 2016 to drive climate change adaptation research and scenario planning for South Africa and the Southern African sub-region. Several resources were put in place to support this, including:

- Climate Change Adaptation Perspectives for the South African Development Community (SADC).
- Climate Information and early warning systems for supporting the Disaster Risk Reduction and Management Sector in South Africa under Future Climates.
- Climate Change Adaptation Perspectives for Disaster Risk Reduction and Management in South Africa
- Climate Change Adaptation Perspectives on Urban, Rural, and Coastal Human Settlements in South Africa.
- Climate Change Adaptation Perspectives on Food Security in South Africa
- Climate Change Adaptation Perspectives to Future Climates in South Africa, and
- Long-Term Adaptation Scenarios for South Africa.

More recent developments include the establishment of the Presidential Climate Change Commission, South Africa's Low Emissions Development Strategy, a National Climate Change Adaptation Strategy, a Carbon Tax, and a Just Transition Framework. In our updated Nationally Determined Contribution, top adaptation goals include increasing institutional capacity, governance and legal frameworks and developing the scientific basis for strengthening the national and provincial governments' readiness to respond to climate change. The Greening and Cleaning initiatives consolidates the resources allocation across different spheres with each sphere contribution collectively to one initiative for high impact objectives towards waste management on the hotspots illegal dump sites removal and clearance across the country; and the waste management infrastructure support through Yellow Fleet leveraging Municipal Infrastructure support to procure tipper trucks, front end loaders and compactor trucks.

Integrated Resource Plan (IRP)

The Integrated Resource Plan (IRP), first introduced in 2010 and updated in 2019, outlines a roadmap for South Africa's energy mix until 2030. The IRP aims to reduce the country's reliance on coal and increase renewable energy sources such as wind, solar, and hydroelectric power from 2.5 GW in 2019 to 17.8 GW, and overall GHG emissions reduction by 34% in 2030. Renewable energy generation in South Africa reached 5.4 GW in 2020 due to the Renewable Energy Independent Power Producer Procurement Plan (REIPPP). Regulatory reforms in 2021 removed some of the licencing requirements for Independent Power Producers (IPPs), opening up the private sector market. These policy changes enable a massive development of renewable energy projects. This has been complemented by a various environment taxes regimes and schemes: plastic bag levy, Carbon tax to carbon budget tagging first implemented in 2005 and further enhanced in 2012, 2015, and 2023. Recent revisions of the IRP 2023 take into consideration JETIP, removal of licencing requirement of power generation by consumers and increased threshold for exemption applications under 100 megawatts production.

Just Transition Framework

A Just Transition Framework has been introduced in 2022, to guide South Africa towards a low-carbon economy and climate resilient society. It focusses on four sectors and value chains most at risk in the transition: coal, auto, agriculture and tourism. Spatial modelling is yet to be undertaken to ensure that a path towards a net- zero carbon economy by 2050 supports national development aspirations, including decent work and social inclusion.

The establishment of the Presidential Climate Change Coordinating Commission (P4C) has been instrumental in ensuring that the Just Transition is integrated into government planning and policy-making processes, the adoption of the National Climate Change Adaptation Strategy focusing on vulnerable and marginalised communities, and adoption of the Just Energy Transition Investment Plan (JET-IP) covering period 2023-2027.

Carbon Tax

Carbon Tax was introduced in June 2019 in terms of the Carbon Tax Act No 15 of 2019 as a policy lever to incentivise businesses to reduce their GHG emissions. The tax follows the "polluter-pays" principle. It is imposed on fuel inputs based on emission factors and standards published by the Intergovernmental Panel on Climate Change. The 8th GHG emissions inventory report indicates that the gas contributing the most to South Africa's emissions is CO^2. This contribution has decreased from 84.8% to 83.6% between 2000 and 2020.

South Africa's biodiversity and management of protected areas

There has been a paradigm shift in the country's approach to conservation since the introduction of the 2023 Policy on the Conservation and Sustainable Use of South Africa's Biodiversity. The Terrestrial Biodiversity Index (TBI), measuring status and listing threatened species or endangered plants and animals' species, over the last two decades. The percentage of land mass under protection has increased from 7.33% in 2000 to 9.83% in 2021. The TBPI has risen from 4.72% in 2000 to 6.59% in 2021. South Africa's terrestrial protected area network is continuously expanding regarding the percentage of land mass under protection and the range of biodiversity represented in these protected areas. The relevant MTSF 2019-2024 target is set to raise the conservation target from 13.2% in 2019 to 15.7% by 2024.

Figure 74: Terrestrial biodiversity index and the total increase areas under protection
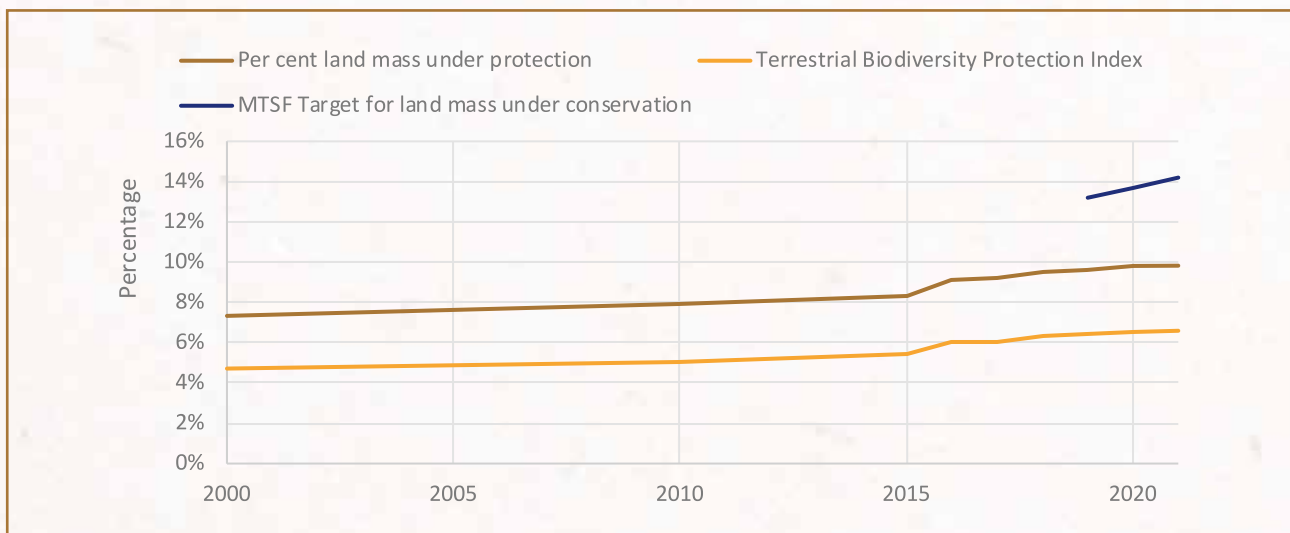
Source: DPME Development Indicators 2022; DFFE's South African Protected Areas Database (SAPAD)

South Africa is a signatory to the Ramsar Convention, which has led to the implementation of legal provisions regarding wetlands. To date, over 1,400 wetlands have been rehabilitated. The programme has contributed significantly towards the protection of ecological infrastructure. Further benefits associated with wetlands rehabilitation include improved water quality, water quantity, flood attenuation, reduced soil erosion and increased food security. Expanding the Marine Protected Areas and freshwater and marine areas under

conservation is also a significant achievement of the democratic government. The progress indicates the expansion of the continental mainland marine conservation estate from 4 287 km² (0.4% of EEZ) to 32 156 km² (3% of EEZ) by 2019.

Apart from South Africa's impressive protected area network, the country confronted serious challenges of wildlife poaching, e.g. Rhino, abalone, etc. Successful anti-poaching interventions have led to a steady decline in rhino poaching in national parks. Success of anti-poaching interventions is attributed to the collaboration between conservation authorities, the South African Police Services, revenue authorities and international agencies.

Since 1994, political changes in South Africa have fundamentally altered attitudes towards Protected Areas (PAs), management agencies and owners. Previously, communities were excluded from playing a role in protecting the environment. Today, people are becoming shareholders, and new practices for PAs are being created; these practices are allowing rural people to play a critical role. The democratic government has made significant strides in this regard. The land reform and land restitution processes have been the primary motivating factors for greater equity and more inclusive and broad-based forms of natural resource management in PAs.

Progress on SDG Goal 17: Responsible consumption and production

The Sustainable Development Goals (SDGs) address global challenges such as poverty, inequality, climate change, environmental degradation, peace, and justice. The interconnected 17 goals aim to be achieved by 2030 and integrate all societal areas, with goal 17 focusing on the strong commitment and means of implementation using partnerships and cooperation. Goal 12 gives effects to goal 17 as it applies demand and supply principles to natural resources utiliation on responsible consumption and production, measured explicitly by Indicator 12.5.1D. This ultimately assesses the percentage of municipal waste recycled and status towards circular economy. South Africa, with over 90,000 waste pickers, has a significant informal waste sector. From 2015, about 22% of households in metropolitan municipalities recycled waste, with waste pickers contributing to 12.5% of recycled waste, saving municipalities millions by diverting recyclables from landfills. The cities are becoming more dirtier as a results of poor service delivery and protests, inefficient waste management system by local government. The recent cases Tshwane Metro and eThekwini cases leading recurring backlogs in the waste collection systems.

Waste management

The Waste Act was enacted in 2008 to provide a framework for waste management. The Act enabled consolidation and delineation of regulatory authority and institutional arrangements for waste management in the country. The National Waste Management Strategy (NMWS) promotes waste minimisation, reuse, and recycling. Under the NWMS, municipalities are required to support alternative waste treatment to divert waste from landfills. The strategy incorporates waste hierarchy and circular economy focusing on Waste Minimization targeting to divert 45% of waste from landfill within 5 years; 55% within 10 years; and at least 70% within 15 years leading to Zero-Waste going to landfill by 2030; effective and Sustainable Waste Services. Currently approximately 21% of waste is being diverted from landfill.[171] South Africa needs to domesticate and commercialise a circular economy and move towards implementing alternative waste treatment technologies.

A successful waste diversion initiative is the establishment of recycling cooperatives that involve the informal waste sector, empowering waste pickers and recyclers to collect, sort, and process recyclable materials. By formalising and supporting these cooperatives, South Africa has not only improved waste diversion but also created job opportunities and improved the livelihoods of waste pickers. The Waste Picker Integration Guideline for South Africa was published with the release of the waste picker integration website and the implementation of the waste picker registration system. The African Reclaimers Organisation (ARO) and the South African Waste Pickers Association (SAWPA) are actively involved in registering all informal waste pickers across the country, with SAWPA having approximately 6000 in their association. Paper packaging, lighting, and eWaste were prioritised in 2020, with pesticides, lubricants, oils and portable batteries prioritised in 2023. This approach has proved effective in increasing recycling rates, reducing landfill waste, and adding value to emerging sectors such as renewable energy for the battery development industry.

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[171] DFFE 2022, Overview by Minister on Waste Streams (General & Hazardous); SALGA on local government support programme for waste sector.

Figure 75: The two paradigms: One-way economy versus circular economy
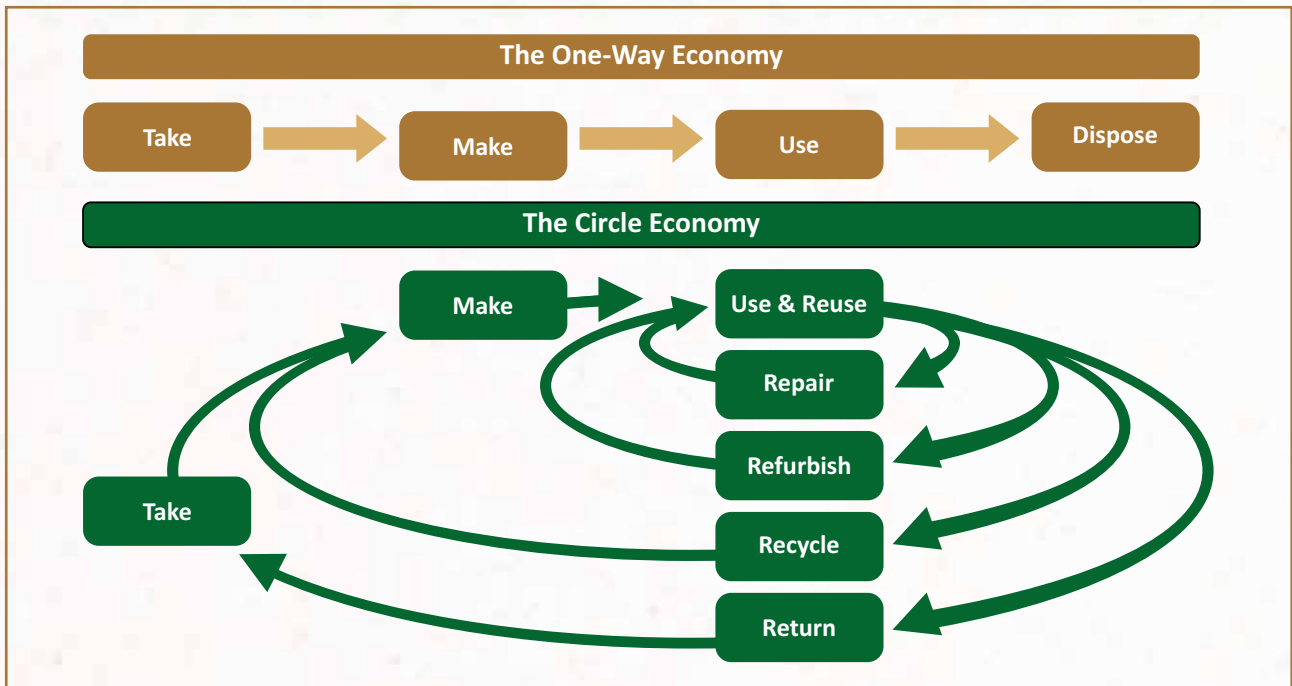
Rehabilitation of derelict mines

South Africa faces a challenge of derelict and ownerless mines, which attract illegal scavenger miners, so called "zama zamas" and breeding violence and deaths in parts of South Africa. The DMRE and the Council for GeoScience have identified about 6,100 derelict and ownerless mines targeted to be rehabilitated by 2038 (DMRE, 2023). About 42% (2,568) of these mines were classified as high-risk (including 246 asbestos mines) based on their potential impact on the environment and their proximity to communities (DMRE 2023). The costs of rehabilitating abandoned asbestos mines alone have been estimated at R3.8 billion, excluding the clean-up and sealing costs for other high-risk abandoned mines.

LESSONS TOWARDS VISION 2030

- Build capacity for climate change response, renewable energy and early warning systems planning and implementation across government and private sectors.

- Initial economic growth models should consider natural resource consumption and its implications (ability for recovery, mitigation, and restoration).

- Given the strategic importance of wetlands as ecological infrastructure for ensuring water quality and regulating water supplies, investments in conserving, managing, and restoring wetlands should be prioritised.

- Derelict mine, Acid Mine drainage and degraded land and threatened river systems rehabilitation should be upscaled as this threatens land degradation and human health.

- Development and implementation of tools that promote a low carbon economy such as Just Transition's different pathways for development on renewable energy and financing of various interventions towards lower carbon development and carbon neutrality.

CHAPTER 14:

SOUTH AFRICA IN THE REGION AND THE WORLD

This chapter looks into South Africa's foreign policy goals, pinpoints key shifts in the global landscape, and assessed the tangible outcomes of international engagements. These cover diplomatic relations, trade, investment, tourism and nation branding, Africa's integration and development, as well as peace, security, scientific collaboration, and cultural exchanges. The chapter also scrutinises South Africa's role in global governance, highlighting its contributions to tackling shared challenges like migration, economic crises, climate change, and health emergencies.

In 1994, South Africa stepped out of over three decades of international isolation, inheriting a complex legacy. Polarised diplomatic relations and limited inbound and outbound representation painted a picture of an ostracised nation. Viewed as a destabilising force in southern Africa, the country was marginalised from global economic affairs, sporting events, cultural exchanges, and progressive multilateral processes. South African firms could not compete in international markets, while consequences of disinvestment by foreign companies further hampered progress. The young democracy inherited an image tarnished by human rights abuses. However, amidst the shadows, glimmers of hope remained – which included rich natural resources, and an industrial base, albeit built on isolationist principles, and more importantly, international solidarity networks forged by exiled South Africans provided invaluable support as the nation embarked on its journey to reintegrate into the global system.

OVERRIDING NATIONAL ASPIRATIONS

The RDP envisions South Africa as a sovereign state reunited with the family of nations, actively contributes to shaping a better world. This aspiration echoes in the Constitution, the NDP and other sector policies – all of which promoted principles of multilateralism, human rights, and diplomacy.

The RDP laid the groundwork, by recognising that South Africa's destiny is inextricably linked with that of its neighbours, the African continent, and the developing world. This multifaceted approach would derive from the principle of Ubuntu – interconnectedness and shared humanity – and shape South Africa's role in the global community.

The NDP built upon this, pinpointing regional cooperation as key to tackling shared challenges. This has guided South Africa's contribution to the formulation – and subsequent localisation – of international development frameworks, namely the Millennium Development Goals (MDGs) and later the 2030 Agenda for Sustainable Development (SDGs), the African Union (AU) Agenda 2063, and the SADC Regional Indicative Strategic Development Plan (RISDP).

Successive foreign policy reviews, first through the 1994 Foreign Policy Review and then the 2011 White Paper on South Africa's Foreign Policy, and the 2019 Foreign Policy Review, have refined the foreign policy approach and objectives to match the shifting global context and domestic priorities. The DIRCO's 2023 articulation of national interests spans five critical areas: national sovereignty and constitutional order (political interests); safety of its citizens (security interests); well-being of its citizens (human development); economic prosperity (economic interests); and A better Africa and world (ideological and global interests).

LEGISLATION, KEY POLICIES AND PROGRAMMES

In 1994, South Africa conducted a comprehensive review of its foreign policy to develop a new era of international relations. This was followed by significant changes introduced within the first five years of democracy: transformation of foreign affairs functionaries across the state, formal diplomatic ties, intelligence and defense force, and redefining national interests to guide all international engagements. South Africa re-joined the United Nations (UN) in 1994, opening a space for various engagements with UN structures and other international institutions. Several legislative and policy reforms were introduced, and key decisions taken to implement the necessary changes. South Africa acceded to various international conventions and agreements as part of reintegrating into the global system, including trade, investment, migration, etc. Examples of those acceded in 1996 are the 1951 United Nations Convention relating to the Status of Women, the 1967 Protocol relating to the Status of Refugees, the 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa, and other international instruments.

Policy review in 2023 raises concerns that this was done without the government having developed a clear policy on migration, including refugee protection.

In 1994, South Africa adopted a policy on the promotion of global peace and security through the elimination and non-proliferation of weapons of mass destruction, to reinforce South Africa as a responsible producer, possessor and trader of advanced goods and technologies in the nuclear, biological, chemical and missile fields.

Pre-1994, measures were taken through a Memorandum of Understanding between the then government and the United Nations High Commission for Refugees (UNHCR), to facilitate peaceful return of exiled South Africans without risk of arrests for political offences and leaving the country through irregular means.

The Diplomatic Immunities and Privileges Act (2001) firmed the universally acceptable re-entry of South Africa into the global diplomatic community. This Act made provision for immunities and privileges of diplomatic missions, consular posts, and their members, heads of state, special envoys and certain representatives of the United Nations, its specialised agencies, other international organisations, and certain other persons, make provisions regarding immunities and privileges about international conferences and meetings, and enact into law specific Conventions. This law allowed the country to accede to various international agreements such as the 1951 Convention, the 1967 Protocol and the 1969 Organisation of African Unity (OAU) Convention. Subsequent reviews, like the 2011 White Paper and 2019 Foreign Policy Review, have kept South Africa's international approach evolving. They have driven specific policy and program adjustments, ensuring alignment with global shifts and domestic priorities.

Throughout its evolution, South Africa's foreign policy has held firm to key principles - multilateralism, human rights, and diplomacy. Nelson Mandela's 1993 Foreign Affairs article captures the future pillars of South Africa's approach:

- Centrality of human rights in international relations;
- Promotion of democracy worldwide;
- Primacy of justice and respect for international law;
- Peaceful resolution of conflicts;
- Prioritisation of African interests and concerns in policy choices; and
- Promotion of economic cooperation in an interdependent world.

In 2009, reflecting the evolving global landscape and South Africa's aspirations, the Department of Foreign Affairs transformed into the Department of International Relations and Cooperation (DIRCO), to emphasise a role for partnerships for development and cooperation. Driven by the need to heal national and regional wounds left by apartheid, South Africa prioritises African interests in its foreign policy. Economic cooperation is a key pillar in an interconnected world, promoting progress across the continent. To achieve its goals, South Africa has consistently strived to amplify African perspectives on multilateral platforms with limited African representation, such as BRICS (Brazil, Russia, India, China, and South Africa), G8 (Group of Eight), and G20 (Group of Twenty) forums. This commitment extends to active participation in initiatives aimed at reforming critical international organisations, including the Southern African Development Community (SADC), the African Union (AU), and the United Nations (UN). The theoretical framework of the African Renaissance, as defined in the founding documents of the New Partnership for Africa's Development (NEPAD), has served as a key motivator for South Africa's involvement in the continent throughout the 2000s.

South Africa is pivotal in the AU's fight against COVID-19, leading crucial discussions and initiatives for a coordinated continental response.

MAJOR MILESTONES AND ACHIEVEMENTS

Formal diplomatic relations

Democratic South African has expanded the scope of diplomatic relations both inbound and outbound. South Africa's diplomatic missions grew from a mere 44 in 1980 to 118 by 1994 and 125 by 2014, where it stabilised for several years. The recent decline is attributed to strategic streamling efforts. Likewise, foreign representation in South Africa mirrored this growth, with 41 missions in 1980 surging to 102 by 1994 and a remarkable 326 by 2014. This signifies solid international confidence in South Africa's democratic journey. Notably, Africa has been a central beneficiary of this expansion, accounting for over one-third of all foreign missions. Diplomatic representation is the backbone for promoting national interests, advancing foreign policy, and facilitating crucial interactions on a global stage. Through these vital connections, South Africa has fostered rich engagement, not only within Africa but also across South-South and North-South cooperation platforms, multilateral institutions, and beyond. Outcomes of these interactions are evident in robust political engagements, strengthening economic and social ties (trade, investment, tourism, cultural exchanges), and unwavering solidarity and support in times of need.

Figure 76: Formal diplomatic missions
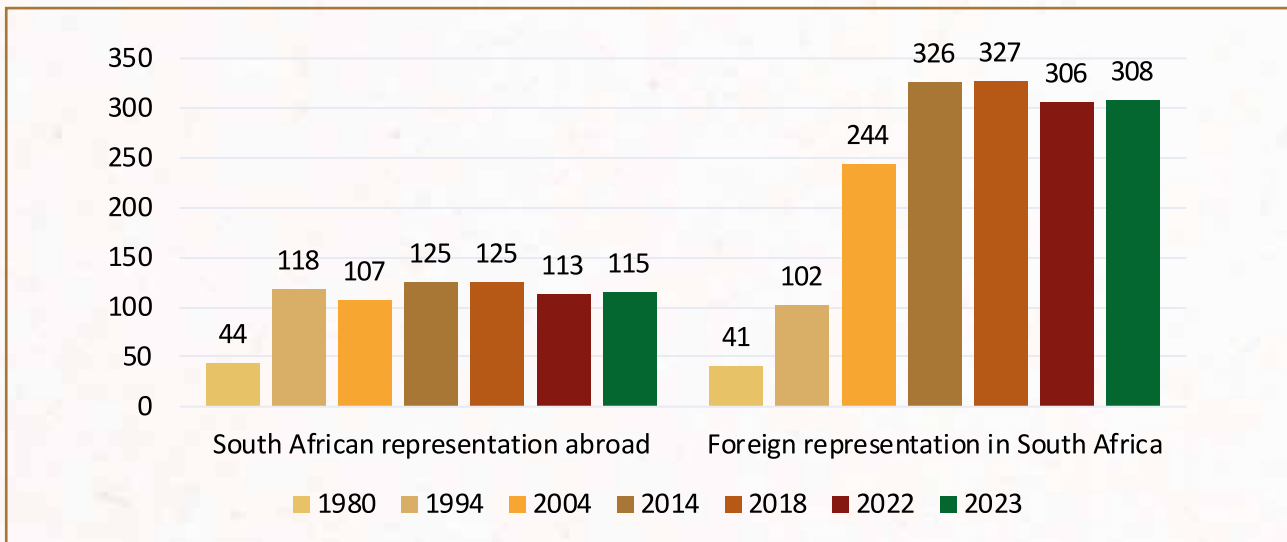
Major groupings of South Africa's international engagements are essential in pursuing specific objectives, for instance:

- Africa focus – with objectives including the African development agenda, continental and regional economic integration, and peace and security. Key engagements include NEPAD, APRM, the SADC Regional Indicative Strategic Development Plan (RISDP), SACU, and AfCFTA.

- South-South cooperation – focused on fostering collaborations with developing economies, promoting economic growth, building solidarity to combat poverty, marginalisation, global inequality, and underdevelopment. Critical South-South engagements include the Rest of Africa, the BRICS, the Group of 77 (G77) and China (South Africa chaired the Group in 2006 and 2015), the Non-Aligned Movement (NAM) South Africa chaired the Movement from 1998 to 2003), India-Brazil-South Africa Partnership (IBSA), the BRICS partnership, and with other countries of the South such as Argentina, Colombia, Mexico, Venezuela, etc.

- North-South Cooperation – with aims to achieve several key objectives: Promoting competitiveness by expanding market access for South African products; Shaping global economic landscape by influencing international economic policies, terms of trade, and debt relief efforts; and Development partnerships by exploring new partnerships with developed countries on areas such as science and technology, climate change responses, health, education, tax policies, and governance practices. Among the key engagements are with Group of Seven (G7, formerly G8); Organisation for Economic Cooperation and Development (OECD); Group of Twenty (G20); as well as the European Union (EU)

through established channels like the Trade Development Cooperation Agreement (TDCA, now replaced by the SADC-EU Economic Partnership Agreement - EPA) for deeper economic ties; and the United States African Growth and Opportunities Act (AGOA).

- Multilateral Institutions – mostly with the United Nations and its affiliated institutions, cutting across various critical areas: Key objectives include: Shaping Global Governance: Influence reforms and strengthen multilateralism in global structures; Financial Resources: Secure international finance, capital, and FDI for national development; Boosting Competitiveness: Enhance South Africa's international competitiveness; Expanding Market Reach: Open global markets for South African products and exports; and Global crisis response: Coordinating responses to global crises.

On the global development agenda, South Africa has significantly contributed to developing and adopting the 2015 Millennium Development Goals (MDGs), the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), and the AU Agenda 2063. These international frameworks have been adequately internalised in South Africa so that more than 70% of the targets are aligned with the National Development Plan[172]. The SDGs have recently driven the focus towards contemporary issues of common interest on the global development agenda, such as climate change, international organised crime, gender matters, peace and security, space exploration, etc. In addressing climate change, South Africa has been playing an active role in the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, the Paris Agreement, the Just Energy Transition Plan, and the Sendai Framework for Disaster Risk Reduction 2015-2030. On global economic governance, engagements included the International Monetary Fund (IMF), the World Trade Organisation (WTO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and others.

Text box 7:
South Africa within the BRICS

In 2010, South Africa joined BRICS, the partnership of five major emerging economies (Brazil, Russia, India, China, and South Africa) which was established initially as BRIC a year earlier. BRICS fosters cooperation across three pillars: political and security, financial and economic, and cultural and people-to-people. Collectively, BRICS nations represent over 42% of the global population, 30% of the world's territory, 23% of GDP, and 18% of international trade. While South Africa's contributions to these figures are proportionally smaller within BRICS, its membership reflects its commitment to collaboration and shared interests with the group.

The most tangible outcome of South Africa's active engagement is the New Development Bank (NDB), also known as the "BRICS Bank." Established in 2013 at the 5th BRICS Summit, hosted by South Africa, the NDB has opened doors for financing development projects crucial for infrastructure and sustainable growth. By 2022, South Africa had secured 12 NDB projects valued at US$5.6 billion, representing around 18% of the Bank's total project approvals.

In 2018 South Africa proudly hosted the 15th BRICS Summit in Johannesburg, solidifying the group's collaborative achievements. This was not just a one-off event. By 2022, it had yielded over 30 agreements and memoranda of understanding (MoUs) across diverse areas. Notable examples include the Contingent Reserve Arrangement for financial stability, customs and tax agreements for smoother trade, interbank cooperation to boost economic integration, and cultural exchanges to build bridges between people. On science, technology, and innovation, specific MoUs covered knowledge sharing and joint research. Agricultural research, energy efficiency, competition policy, and even diplomatic academies benefit from the synergy within BRICS.

The NDB agilely responded to the pandemic in 2020, swiftly approving $2 billion in emergency loans for each BRICS member to combat COVID-19 and bolster economic recovery efforts. Recognising the need for closer economic ties, BRICS countries also adopted the Strategy for BRICS Economic Partnership in 2020. This plan aims to boost access to each other's markets, encourage mutual trade and investment, and foster a more investor-friendly environment across all BRICS nations. Accordingly, South Africa, as a resource-exporting economy must continue focussing on closing the imbalances, particularly compared to China's strong downstream industrial capacity.

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[172] National Planning Commission, 2019; Statistics South Africa 2023.

South Africa has consistently leveraged its BRICS membership to champion the interests of African nations. Its advocacy focuses on increased investment in Africa, infrastructure development, and collaborative solutions to regional challenges. This commitment culminated in a pivotal resolution at the 15th BRICS Summit, leading to the expansion of BRICS from five countries to ten countries on 01 January 2024, to see the group's historic evolution into "BRICS+,". Five new members are Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates. BRICS+ has 45% of global population (3.5 billion people), and one-third of global GDP, representing a more expansive forum for South-South cooperation and global engagement.

Nation branding and international tourism

A combination of factors including political developments, economic performance, social issues, international relations, and specific country positions on a range of global issues have shaped South Africa's international reputation over the last three decades.

South Africa shines brightly as a stage for major global conferences and sporting events. From hosting the United Nations Conference on Trade and Development (UNCTAD) IX Summit in 1996 and the UN World AIDS Conference in 2000 to the thrill of the 2010 FIFA World Cup and the recent 2023 Netball World Cup finals, the country has consistently attracted prestigious gatherings in diverse fields. Hosting prominent events play a crucial role in South Africa's global positioning, showcasing its vibrant energy, diverse attractions, and commitment to tackling crucial issues. South Africa's participation in major sporting events further strengthens this international exposure. Hosting tournaments like the FIFA World Cup, Rugby World Cup, and Cricket World Cup, alongside captivating domestic competitions in cricket, rugby, and netball, cement South Africa's reputation as a world-class sporting destination. Details of these and other impactful events can be found in the earlier chapter on "Nation Building and Social Cohesion."

South Africa has deliberately pursued roles in leadership positions in various global forums. This includes chairing international organisations executive leadership roles and other assignments seconded formally by government. There are also roles that outstanding South Africans, on their own, have taken up in diverse fields of specialisation. Examples include Dr Nkosazana Dlamini-Zuma's tenure as Chairperson of the African Union Commission (AUC), Dr Phumzile Mlambo-Ngcuka as the Executive Director of UN Women, Prof. Tshilidzi Marwala as Rector of the United Nations University, sports people such as Lucas Radebe, Baby Jake Matlala and musicians such as Black Coffee and many others.

According to DIRCO (2022), South Africa's foreign policy acknowledges roles by other actors outside the formal government channels. Businesses, workers, researchers, and even figures beyond official positions have engaged actively internationally on matters that have implications for the country's international positioning. The language of diplomacy has transformed, welcoming "economic diplomacy", "science diplomacy," and "cultural diplomacy" into South Africa's global toolkit. These have been fundamental forces shaping the nation's international engagements, especially noting the many international achievements by South Africans in sports, the arts, science, etc.

As South Africa increasingly opened up, international tourism grew in importance as a key contributor to the economy and employment. A combination of the country's attractiveness for international tourism and successive policy interventions have contributed to growing the importance of this sector, from a baseline of 2% tourism contribution to GDP in 1994 to 3,7% in 2019.[173] Further details on this sector are presented in Chapter 4 "Economy, transformation and employment".

Implementation of the Tourism Sector Masterplan, which forms part of the ERRP, is making important inroads in driving recovery of the sector towards its 2019 level. Globally in 2019, tourism contributed 10.4% to global GDP and 10.3% to global employment.[174] South Africa's performance is lower than this. Targets stipulated in the Tourism Sector Masterplan are to grow tourism by 4% per annum to achieve the NDP 2030 trajectory. Key interventions include targeted global and regional marketing campaigns, preservation and upgrading of tourism infrastructure, and measures to stimulate domestic tourism activity.

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[173] 1996 White Paper on the Development and Promotion of Tourism in South Africa; Stats SA Tourism and Migration Data 2023; DPME Development Indicators 2022.

[174] World Travel & Tourism Council https://wttc.org/research/economic-impact

Trade and investment

The dawn of democracy in 1994 fuelled positive global sentiment, paving the way for reversing the pre-1994 trend of disinvestment. Promoting trade and attracting international investment have been central pillars of South Africa's economic policies and international relations. This commitment to open markets and foreign capital has driven significant progress in attracting investments across diverse sectors, supporting economic growth and creating jobs. The earlier chapter on "Economic Progress, Transformation and Employment" covers these issues in more detail.

Immediate outcomes at the dawn of democracy were that South Africa's FDI inflows increased from a base of US$78 million in 1990 to about US$798 million in 2004 as investors sought opportunities in a newly opened and transforming economy.[175] South Africa boasts over 180 Fortune Global 500 multinationals operating within its borders. Additionally, South African firms have become proactive global players, expanding their operations through outward investment. Examples include MTN, Vodacom in the telecoms industry, Shoprite in the retail industry, Tsogo Sun, Marriott International's acquisition of Protea Hotels in the hospitality industry, Discovery in financial services and several other examples in bankers, engineering firms, consulting industries. While FDI as a percentage of GDP rose noticeably from below 1% in 1994 to around 5% in 2001, it has generally remained modest over the past three decades. Notably, FDI surpassed 10% of domestic investment only five times in this period, highlighting a challenge in fully capitalising on South Africa's trade liberalisation efforts.

Following 1994, the swift and substantial tariff cuts, spurred by Uruguay Round commitments, ushered in a new era of openness. Consecutive rounds of bilateral and multilateral trade negotiations deepened economic ties, paving the way for market access reforms and new opportunities for South African exports. This trade liberalisation brought about mixed outcomes, increasing exports in some areas but also opening up the local industry to cheaper imports that dislocated the domestic sectors.

The composition of FDI inflows also reveals trends that needs to alter in order to expand industrialisation and employment. On average, half comprises portfolio investments, and roughly 35% was attributed to direct investments. Financial derivatives and other investments constituted 2% and 14%, respectively. Recent evidence by UNCTAD show that South Africa's renewable energy initiatives and policy frameworks has positioned it favourably as an investment destination for the renewable energy sector.

Shaping Africa's development and integration

Driven by the unifying vision of an "African Renaissance," South Africa emerged as a key player in revitalising the continent and addressing its historical struggles with underdevelopment. In the early years of its democracy, South African leaders led in establishing NEPAD in 2001 and, in restructuring the Organisation of African Unity (OAU) into the African Union (AU) in 2002. This restructuring was envisaged to rejuvenate the institution's ability to tackle contemporary challenges, reshape Africa's political landscape and introduction of numerous vital programs fostering continental development and integration. NEPAD served as a strategic framework for Africa's development. Its projects addressed a wide range of areas including infrastructure, education and healthcare, sustainable development, and the development of key sectors such as agriculture, energy, and manufacturing; skill and knowledge sharing, including, technology transfer, human capital development, and the advancement of women and youth.

Drawing from own experiences of democratic transition, South Africa championed the fundamental principles of democracy, good governance, and respect for human rights as core pillars of the AU. This informed the country's contribution to the establishment of the African Peer Review Mechanism (APRM) as a tool to improve governance and accountability across the continent. Under the APRM, AU member states would voluntarily and periodically assess their own progress towards promoting high standards of governance on matters such as, democracy and political governance and socio-economic development. The APRM has since fallen short of its intended impact as many countries renege on promises.

Regional engagements that continued in the 2000s included restructuring the Southern African Development Community (SADC) and the South African Customs Union (SACU). At the heart of these initiatives lay the core goals of bolstering African integration and development, ensuring peace, security, and stability within the region, and eradicating poverty and underdevelopment.

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[175]   UNCTAD World Investment Report 2023 https://unctad.org/publication/world-investment-report-2023

This culminated in the 2013 adoption of the African Union's Agenda 2063, a long-term development vision for Africa outlining economic growth priorities, and more recently, the establishment of the African Continental Free Trade Agreement Area (AfCFTA) framework, aimed at deepening integration and trade across the continent.

Text box 8:
African Continental Free Trade Area

Launched in 2021, the African Continental Free Trade Area (AfCFTA) is the world's largest free trade zone, uniting all 54 African Union (AU) member states. This expansive bloc boasts a population of roughly 1.3 billion people and a combined Gross Domestic Product (GDP) of approximately US$3.4 trillion. The AfCFTA's ambitious vision is to create a unified continental market, fostering the free flow of goods and services across the continent. This initiative aims to boost intra-African trade and strengthen Africa's global trading position.

The bloc comprises eight established Regional Economic Communities (RECs), including: Arab Maghreb Union (UMA), Common Market for Eastern and Southern Africa (COMESA) Community of Sahel-Saharan States (CEN-SAD), East African Community (EAC), Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), Intergovernmental Authority on Development (IGAD) and Southern African Development Community (SADC).

In 2020, South Africa claimed a commanding 32% (USD 20 billion) of intra-Africa exports and 10% (USD 7.3 billion) of imports, solidifying its position as the continent's leading trading partner (Tralac, 2021).

Promising trade deals are paving the way for further integration, while specific sectors are witnessing a surge in exports and imports. South Africa's commitment to intra-African trade bears fruit and the future promises even greater interconnectedness and shared prosperity across the continent. Estimates from the Economic Commission for Africa (UNECA) suggest that the AfCFTA can boost intra-African trade by 52.3% by eliminating import duties and double this trade if non-tariff barriers are also reduced. Through the gradual elimination of tariffs and reduced barriers to trade in services, Africa's income is expected to grow by $450 billion by 2035[176].

According to the World Bank, the agreement can potentially lift 30 million people out of extreme poverty. However, achieving this potential will depend on implementing significant policy reforms and trade facilitation measures.

South Africa has shipped its first consignment of products under the AfCFTA on 31 January 2024 from the Port of Durban. Building blocks in the implementation to date include the adoption of key decisions by the African Union Assembly, namely the Protocol on Women and Youth in Trade, Protocol on Investment, Protocol on Digital Trade and a number of rules of origin on clothing and certain automobile products.

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[176] World Bank, 2022

Development Assistance

South Africa's environment of development assistance has evolved with time. In the first decade of democracy, South Africa was a net recipient of international aid and development assistance. The country relied on foreign aid and cooperation from international donors, including organisations like the United Nations, the World Bank, and bilateral donors to support its reconstruction. Over time, the country's approach has evolved towards more of a 'development cooperation', reflecting the country's changing role in the global community, the changing needs of its partner countries/ institutions and its own domestic priorities.

Also, the pre-1994 Development Assistance Programme under the then Department of Foreign Affairs was replaced in 2000 by the African Renaissance and International Cooperation Fund (Sidiropoulos 2012, p. 220). South African Development Partnership Agency (SADPA) was created in 2007 to coordinate the country's outbound development cooperation (Braude et al., 2008, p. 9). In November 2023, the African Renaissance and International Cooperation Fund (ARF) Amendment Bill was introduced to Parliament to propose creating a dedicated agency for this purpose.

Today, South Africa's Official Development Assistance (ODA) includes grants, concessional loans, and in-kind support provided to support development projects in other countries and international institutions. There is also an important role of aid non-governmental organisations (NGOs) such as Gift of the Givers in rapid interventions during disasters in various parts of the world. South Africa's development cooperation covers a range of areas: trade and investment, infrastructure development, capacity building through human capital, technology transfers and knowledge sharing in various important areas, e.g. health, agriculture and food security, energy, water etc.

The changing role enables South Africa to participate in international organisations and initiatives aimed at promoting development in Africa. These have included providing institutional support and personnel for addressing conflicts, peacekeeping missions, humanitarian assistance as well as attending to health emergencies and disasters. Most notable are efforts for addressing the HIV/AIDS epidemic, the Ebola crisis by providing medical professionals and resources to assist in managing and containing the disease and more recently the Covid-19 Pandemic, where South Africa championed continental response, provided medical supplies and support to other African nations during the pandemic. South Africa played a prominent role in organisations like BRICS, where member countries often discussed development and financial cooperation. South Africa has invested in projects such as road networks, energy generation, telecommunications, water, transport, and telecommunication networks, enhancing regional connectivity and economic growth. The Development Bank of Southern Africa (DBSA) has played a significant role within the African continent by advancing the development impact. They have expanded access to development finance and effectively integrating and implementing sustainable development solutions. The DBSA has prioritised water, energy, transport, and ICT as its key focus areas.

South Africa has offered technical assistance to improve agricultural practices and food security in countries like Zambia and Mozambique. Collaboration includes knowledge sharing, training programs for farmers, and the transfer of agricultural technologies to boost local production and reduce food insecurity.
There is the SADC Scholarships Programme and educational opportunities for students from other African countries to build human capital and strengthen educational ties across the region. The cluster of Square Kilometre Array (SKA), South African Large Telescope (SALT) and Karoo Array Telescope (MeerKAT), for instance has since 2005 awarded close to 400 grants for studies in astronomy, engineering, and technician training through the SKA Human Capital Development Programme.

Peace and security

Peace, security, and stability are core elements of the socio-economic development programme of the African continent and its regions. South Africa's voice also resonated loudly in international forums as it advocated for human rights and democracy. Building on these principle, South Africa has contributed efforts for strengthening peace and security, in its region, in the continent, and globally. This includes support to the United Nations, the AU, SADC, and others.

The country has maintained a non-aligned stance, advocating for non-violence and peaceful resolutions through negotiation. Its stance on issues like the 2011 NATO attacks on Libya, the war in Gaza, and the war in Ukraine exemplifies this core value.

Within Africa, peace, security, and stability are central to fostering socio-economic development. Upon taking over as Chair of AU in 2020, South Africa championed various programmes under the theme *"Silencing the Guns; Creating Conducive Conditions for Africa's Development"*. South Africa also contributes to the African Union Peace and Security Council. South Africa actively strengthens the AU's capacity for peace and security, supports democratic transitions in neighbouring countries, and promotes peaceful elections, conflict resolution, solidarity, and respect for human rights and the rule of law. As a testament to its commitment, South Africa is the 15th largest contributor of troops to UN peacekeeping operations globally and the 6th largest contributor of women in those missions. Notable examples of its involvement include deployments through both the South African National Defence Force (SANDF) and the South African Police Service (SAPS).

· **Burundi Peace Process**, leading to the Arusha Peace and Reconciliation Agreement for Burundi in 2000.

· **Democratic Republic of the Congo (DRC)**, by participating in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO).

· **Central African Republic**, through the African-led International Support Mission to the Central African Republic (MISCA).

· **Sudan and South Sudan Mediation**, which facilitated negotiations and peace agreements to address border disputes and oil revenue sharing.

· **Sahel Region Stability**, where South Africa collaborated with regional partners to support stability.

· **Lesotho**, through the SADC interventions on numerous occasions since the 1998 election disputes to the recent process for the development of constitutional amendments.

· **Comoros**, role as an African Union-mandated Coordinator, leading to the Fomboni All-Party Framework Agreement in 2001, and Comoros' admission as a member of SADC.

· **Liberia**, through the UN peace operations and peacebuilding efforts.

· **Rwanda**, in rebuilding the health system and facilitating access to South African universities, following the 1994 genocide.

· **Mozambique**, through the SADC Mission in Mozambique (SAMIM) and deployment of South African troops to maintain stability in the Cabo Delgado region.

· **Ethiopia**, hosting the negotiations leading to the signing of the Cessation of Hostilities Agreement (COHA) in Pretoria in 2022 between the Ethiopian Federal Government and the Tigray People's Liberation Front.

· **Interpol:** As a founding member, SAPS actively participates in operations under the International Criminal Police Organization (INTERPOL) banner, tackling transnational crime and sharing intelligence. Among the activities are Trilateral Planning Cell in collaboration with Tanzania and Mozambique to combat drug trafficking along the Indian Ocean corridor (Southern Route) strategically; the Southern African Regional Police Chiefs Cooperation (SARPCCO) to foster regional cooperation on security matters; delivery of specialised training programs such as the UN Police Basic Peacekeeping Course and the UNPOL Peacekeeping Course, equipping police personnel for international deployments.

· **Russia/Ukraine conflict:** South Africa led an AU Peace Mission on a unified and active African continental intervention.

TOWARDS VISION 2030: LESSONS AND EMERGING RECOMMENDATIONS

South Africa has used its diplomatic ties and global stature to solidify its international reputation. The next crucial step is to build on the gains to support domestic development priorities, an international dimension of which includes attracting higher foreign investment into the productive sectors of the economy, expanding and diversifying trade partnerships, igniting tourism, and translating global knowledge and technology to address domestic development challenges.

Key recommendations in this regard are:

- Continue with the existing pillars of South Africa's foreign policy, which are the Consolidation of the African Agenda, Strengthening South-South cooperation, strengthening North-South relations, strengthening political and economic relations, and participating and championing reforms in the global system of governance.

- Accelerate concerted efforts to address "inhibitors" to the country's positioning as a viable economy capable of attracting investment. The key inhibitors include energy security concerns and frequent loadshedding, freight logistics bottlenecks, infrastructure backlogs, and concerns regarding the perceived lack of actions and deterrents for crime and corruption.

- The Country Investment Strategy and its implementation must be more deliberate in targeting investment that develops new and expands industrial and technological capabilities in the country. Examples include renewable energy, green hydrogen, medical devises, oil and gas, digital infrastructure, electric vehicles, etc.

- Prioritise economic infrastructure development favouring South Africa to maximise the AfCFTA and the BRICS+ benefits. An open, competitive economy requires physical infrastructure such as roads, railways, ports, airports, and digital infrastructure such as broadband networks, banking systems, data centres, and cloud computing to facilitate e-commerce and digitised trade processes. This includes harnessing global finance for growth by tapping onto the African Development Bank and the BRICS New Development Bank to support critical areas such as infrastructure development, healthcare investments and energy security.

- Play a leading role regionally (SADC, SACU) in the review of existing tariff and non-tariff restrictions, customs procedures, visa regime and the airline industry. South Africa should also champion the reform of SACU to become a more development-oriented customs union. This should include backing a process for harmonisation of trade policies, regulations, and standards in the context of the SADC Regional Indicative Strategic Development Plan (RISDP), which offers development-centric integration.

- Introduce necessary reforms to ensure better migration management in the country. To this effect, the White Paper on Citizenship, Immigration, and Refugee Protection was issued for public comment in October 2023. This includes the effectiveness of the Border Management Authority (BMA).

- Continue with efforts to ensure peace and stability in the region. In doing so, carefully assess the resources required to carry out missions. Undertake an overhaul of the deployments and evaluate which ones are still needed and which ones should be terminated or phased out – taking note of successes and key lessons.

- South Africa should remain steadfast in supporting the World Health Organisation (WHO) to lead global efforts to strengthen health systems through a legally binding global instrument to address systemic gaps and challenges that exist at the national, regional, and international levels to prevent, prepare, and respond to current and future pandemics.

- On fighting organised cross-border crime, continue sharing technologies and criminal databases to limit the free movement of international fugitives, i.e., the UNGO programme at airports and access to INTERPOL databases at all ports of entry. Capacity building is required to prevent and investigate cybercrime and emerging transnational organised crime. It is constructing a formidable and effective African Union Mechanism for Police Cooperation that ensures the highest global standards for the African continent in terms of connecting police agencies and developing a continental standard for police capacity building in various policing and leadership disciplines.

- The changed context is challenging the long-standing system of global governance. Given the role of reforms in addressing global inequality, South Africa should continue its advocacy for reforms in global governance towards inclusive multilateralism.

CHAPTER 15:

SUMMARY AND CONCLUSION

The government has positioned itself at the centre of socio-economic transformation by implementing progressive policies and programmes. Much progress has been achieved in transforming society and the country's positioning globally. Yet, much remains to be done to truly achieve fundamental transformation envisaged at the onset of democracy.

Progress on meeting basic needs helped to gradually reduce deprivation from basic daily requirements for millions of households. By 2022 for instance, household access to basic services (electricity, piped water & sanitation) was above 90%. As a result, key indicators of poverty improved, i.e. Human Development Index and Multi-Dimensional Poverty Index. Notwithstanding, there are specific critical coverage gaps and many instances where citizens do not receive an acceptable standard of service. Part of this became evident at the height of Covid-19.

Remarkable progress has been made in providing universal access to basic education and expanding access to post-school and skills development opportunities, achieving improved population-level educational outcomes, such as literacy and levels of educational qualifications per age cohorts. This is crucial for a modern, knowledge-based society.

Emerging from global isolation, South Africa of today is fully integrated into the global community, with considerable influence on global affairs. The country has advanced its positions when called for on matters such as global and continental development frameworks, institutional reforms, human rights, peace and security initiatives, global response to shared challenges such as climate change, disaster responses, including more recently the response on the Covid-19 pandemic.

The democratic government inherited a violent society with a high crime rate and a corrupted culture of crime information management. Systems for properly recording crime information and greater transparency on crime data hare now well developed. Despite persistent violent crimes, the overall trend of serious crimes has declined, from 2,7 million in cases 2003 to approx. 1,7 million cases in 2022 These levels are, however, still too high by any standard.

Relevant legislation and institutional frameworks are in place to advance and empower the designated segments of society, namely women, youth, and persons with disabilities. Immediate improvements can be achieved with appropriate resourcing, better coordination to reduce duplications and improve efficiency, and scaling up successful initiatives by government institutions partnering with non-state actors (NGOs, CSOs, the private sector, and the international community).

There are several cross-cutting challenges that, if not overcome, will derail the country from achieving the national aspirations, expressed in the NDP 2030 Vision. The following are some of the critical areas:

The long-term GDP growth (1994 to 2022) averaged 2.4%. The economy is currently in a low-growth trap, with average GDP growth below population growth. Real GDP per capita has regressed. Well-known structural constraints hamper the achievement of potential growth: minerals-dominated exports, high concentration and lack of competition in key sectors of the economy, inefficiencies in network industries, inadequate levels of technological innovation and skills, low manufacturing export competitiveness, energy and water shortages, delays in infrastructure development, and vulnerability to global shocks.

South Africa's persistently high-income inequality ratio suggests a need for more effective economic empowerment and inclusion strategies. Land ownership patterns remain a big concern. [Similar to the EEA, it is most apparent that this strategy on redress has not had the optimal effects over the 30 years into democracy. For example, according to the BBBEE Report of 2020, it was revealed that half of the companies listed on the JSE had less than 25% black ownership and that only 2% are 100% black owned.

Dysfunctionality of municipalities and instability of councils, particularly those run under coalitions.

Rapid urbanisation and the increasing demand for housing as well as land invasion.

Ongoing discourse regarding the role of key economic institutions with respect to employment impact of policy decisions of institutions such as the National Treasury and the South African Reserve Bank.

A current constrained fiscal position limits the government's ability to pursue some of its policy priorities.

Declining budgets have reduced the numbers of essential frontline services staff, hampering the government's ability to both expand and sustain the quality of service delivery.

Inadequate attention to modernisation and digital transformation limits the government's ability to improve efficiency and impact.

Indecisiveness in the reforms of some SOEs and incidents of their governance failures weaken the achievement of developmental outcomes.

Corruption, service delivery failures and challenges to the financial sustainability of local governments and municipalities remain vital drivers of declining citizens' trust in government and increased protests.

Structural features that perpetuate poverty and inequality have not been sufficiently transformed. Poverty levels have reduced but remain high.

Social cohesion is threatened by disgruntlement over unmet expectations and perception of unfairness, unequal access to opportunity, erratic episodes of racism, pockets of poor health outcomes and quality standards, and violent social unrest.

The 30-Year Review has generated several recommendations, among which 24 have been identified as strategic thrusts recommended for high priority attention when planning the immediate term towards 2030, and for the next 10 to 30 years. Recommendations cover a mix of legislative and policy processes, institutional reforms, scaling-up of successful programmes, as well as potential new areas/programmes:

1. **Grow the economy – rethink the economic growth strategy:**

   South Africa must aspire to become a high-income economy. Achieving this necessitates a rethink of the macroeconomic growth policy and strategy, along with a more concerted focus on strengthening the capacity of the state to implement economic growth policy. Continue with the focus on economic recovery and structural reforms to unlock potential growth. Resolve immediate constraints to growth and review institutional mandates that hamper growth and employment.

2. **Reconfigure government to enhance delivery:**

   Accelerate implementation of the single public service policy and integrated delivery across government. This must include reconfiguring the state to improve the delivery machinery, streamlining and rationalising public entities to eliminate duplications, acceleration of the District Development Model (DDM) towards more integrated development planning at all levels and implementation through the One Plans and the One Budgets.

3. **Strengthen development planning:**

   Reorient the country's planning system towards development outcomes. This will require better alignment between planning and budgeting with regard to prioritisation, timeframes, resource mobilization and monitoring and evaluation. Instruments within the planning ecosystem, Integrated Planning Bill including sustainable development (climate change response planning), etc. and finalisation and implementation of the National Spatial Development Framework.

4. **Accelerate infrastructure development**

   Implement the NIP 2050 commitments to strengthening leadership, accountability, technical capability and relevant institutional and market reforms must be pursued. This, supported by a more transparent mechanism of half-yearly reporting on pipeline of priority infrastructure projects based on key performance indicators, set out in annual performance plans, and, where relevant, tied into conditional grants, with consequences for non- and/or slow delivery.

5. **Focus industrial policy on employment intensity**

   Focus on re-industrialisation to revive manufacturing and innovation given their high employment multipliers. The approach must strengthen the services sector, which has increased employment

significantly since 1994. New growth industries have emerged, e.g., global business services, tourism, finances, and e-commerce, strengthened as employment sources. Review industrial incentives to prioritise employment outcomes.

6. **Harmonise incentives and support for small enterprises, youth and women empowerment**

Review policy for incentives and government support for small enterprises, youth development and women empowerment, with a view to harmonise, pool resources to enhance scale and efficacy. Scale-up successful public employment programmes to support youth development and improve access to sustainable livelihoods.

7. **Prioritise economic outcomes of international engagements**

Introduce direct measures to translate the established international relations and influence into improved economic benefits, including through expanded inward FDI investment, exports, tourism and cultural industries, knowledge and technology access. Over the three decades, FDI inflows have been modest and comprised mostly of portfolio investments, whereas the country required more FDI to expand the productive capability and create jobs; Exports grew faster than imports (achieving trade surplus) but were always dominated by mineral resources. Low manufacturing competitiveness has been a challenge, hence many firms in the clothing, textiles, footwear and electronics closed down and shed jobs when faced with cheaper imports. The approach going forward must seek to strengthen the services sector, which has managed to increased employment significantly since 1994.

8. **Reform State-Owned Enterprises (SOEs)**

Finalise and implement the State Enterprise Bill to improve SOEs' governance and developmental impact. Continue with existing interventions – Transnet turnaround, Eskom unbundling, recovery of ports capability and efficiency, repair of rail and road network, etc.

9. **Reform the public procurement system**

Finalise and implement the Public Procurement Bill, including reviews of procurement mandates, business models and capacity of the State Information Technology Agency (SITA) and the Department of Public Works and Infrastructure (DPWI), and amendments that support local procurement and are appropriate for infrastructure delivery pipeline.

10. **Local government service delivery capacity and fiscal framework**

Strengthen technical capacity at a local level for the provision of services and infrastructure maintenance. In doing so, integrate lessons from the interventions done in terms of Section 100, Section 139, and Section 154 of the Constitution to improve efficacy. Local government fiscal framework: Review the Local Government Funding Model and grant system, including possible local government restructuring to improve financial sustainability. Rethink the unviable municipalities with a view to merge unviable municipalities into larger units.

11. **Accelerate land reform interventions to scale up agriculture**

To accelerate implementation of land reform interventions in terms of the Communal Property Association Act (CPA) and Regulations under Section 42(c) and Section 42(d). To scale up successful agricultural support interventions (e.g. farmer production support units and Agri-Parks) and others less effective must be reviewed for efficacy and restructured. Land reform and rural development: To prioritise investment towards rebuilding the national capability for animal and plant disease control, particularly on R&D, vaccine production and human capital (veterinarians and extension officers).

12. **Increase strategic land availability for human settlement projects**

Address the blockages to the identification and release of appropriately located land for housing to advance spatial transformation. Revive the model of Project Committees to enhance buy-in and support. Leveraging the private sector, financial institutions, and the market to increase the housing supply and the capital for housing provision and to support an equitable residential property market.

13. Professionalisation of the public service and digital transformation

Implement the Public Sector Professionalisation Framework to strengthen institutional capacity through the skills and service delivery culture of public servants; accelerate digital transformation project to modernise key frontline service delivery points and reduce unnecessary red tape.

14. Revenue collection capacity

Enhance state revenue collection at all levels, including through leveraging South African Revenue Service (SARS) capabilities. Strengthen regulatory framework on the formation and management of coalition councils. The indigent system should be carefully targeted to ensure that indigent and vulnerable households are supported, and that the application system is functioning effectively.

15. Health interventions for districts with high disease burden

Target tailor-made interventions for districts with high disease burden, i.e. high acute malnutrition (SAM), teenage pregnancies, HIV rates of people lost to follow-up (LTFU) and low success of TB treatment.

16. Expedite National Health Insurance

Expedite the finalisation and implementation of the NHI Bill and its various building blocks to set the country towards achieving universal health coverage. Among those building blocks are the NHI Fund, the National Framework for Quality Improvement, an Equity Gauge to monitor health outcomes jointly with academic institutions and civil society; human resourcing and capacity enhancement for the health sector, an electronic Health Record and sector-wide interoperable information systems through the National Health Information System; Enhance the responsiveness of the health sector to community needs through practical interventions such as community participation, and reviving the functioning of the Clinic and Community Health Centre (CHC) Committees.

17. Expansion of the education sector

Develop and implement a medium-to-long term plan for the expansion of the education sector at all levels to adequately cater for the growing population. This, in essence, means broadening programs that offer innovation in infrastructure development, taking advantage of Massive Open Online Courses (MOOCS), improving TVET college efficiency and quality while improving on Community College sector offerings.

18. Quality of education

Focus on enhancing quality of education and efficiency across the entire education value chain, building on successful monitoring models such as ECD "Thrive by Five"; making sure leaners are motor, visual, and cognitively prepared for school; at basic education, intensifying mathematics teaching interventions across all grades with greater emphasis on the foundation phase, teacher guidance during curriculum changes, learner access to national workbooks and textbooks, assessment practices in earlier grades, minimum qualifications for new teachers, Grade 1 access to organised learning environments.

19. Higher education student funding

In the PSET sector, build on gains of made by NFSAS and implement a comprehensive student funding model which covers the 'missing middle' and is financially sustainable.

20. Update the skills development strategy

Update the National Skills Development Strategy and its implementation to address current and future needs and equity. To support this, prioritise vocational subjects in demand by the economy; expand TVET sector centres of specialisation; reform the Sector Education and Training Authority (SETA) system to partner with business and State-Owned Companies (SOCs) to expand skills development; merge SETAs into fewer, more streamlined entities to enhance their efficacy.

21. **Social compacting for inclusive growth – especially on crucial matters falling outside government's full control**

Accelerate implementation of programmes to advance and empower WYPD through appropriate resourcing, better coordination to reduce duplications and improve efficiency, and scaling up successful initiatives by partnering with non-state actors (NGOs, CSOs, the private sector, and the international community).

22. **Plan for resourcing the criminal justice system**

Adopt a 10-year planning horizon for resourcing the criminal justice system value chain to strengthen crime fighting. Rebuild the capability of the criminal justice system, in terms of personnel, equipment, technology and operational networks to combat crime. Efforts to replenish the SAPS should be continued, especially given that decline in SAPS personnel over the past decade (from 155,531 in 2012/13 to 145,246 in 2022/23) and the inadequate density of police stations (which has flattened at about 1100 over the 12-year period). At a ratio of 1:417, South Africa's Police: Population ratio is two times less than the United Nations standard of 1:220.

23. **Just transition and environmental sustainability**

Prioritise the implementation of the Just Transition Framework and Just Energy Transition Investment Plan by government and social partners. Government to commit to stronger partnerships, increased investments, and a shared responsibility by business, society, academia, and the civil society to tackle air pollution and other climate related challenges. Empower citizen through education and awareness on climate change matters, i.e. effects, country mitigation and adaptation strategies, early warning systems, role of citizens, etc.

24. **Finalise and implement new policies to optimise social protection**

Finalise and implement new policies that will optimize social protection, namely the White Paper on Social Development; the White Paper on Comprehensive Social Security; Definition of the Social Protection Floor as guided by the Bill of Rights of the Constitution; Policy on homelessness.

25. **Improve institutional mechanisms for social protection programmes**

Sharpen social protection delivery mechanisms; enhance implementation and improve efficiencies and coordination: Reform RAF; improve efficiency of UIF, SASSA and COIDA; Increase UIF coverage and enforce compliance with the UIF Act among employers who defy their obligations to contribute; Establish an inclusive social protection register for the vulnerable (NISPIS); Effectively implement the Drugs Master Plan; Response Care and Support pillar of the NSP against GBVF; and implement the ECD integrated policy.

26. **Harnessing R&D and technological capabilities**

Implement the Decadal Plan on Science, Technology and Innovation recommended measures to improve the environment for R&D investment and innovation. Among these are government spending on cross-cutting and sectoral priority research areas, continuation of the R&D Tax Incentive, addressing causes of decline of business-sector R&D investment, creating condition for uptake and commercialisation of local technological innovations within government, SOEs and local private sector, etc.

ANNEXURES:

SELECTED DEVELOPMENT INDICATORS

Capable, ethical, and developmental state:

1. Public service workforce and leadership stability (tenure of DGs and HODs)
2. Main budget balance before borrowing
3. Tax revenue collection
4. Government debt % of total budget
5. Audits outcomes in government and public entities
6. Prosecution of crim and corruption; perceptions on corruption in public and private sector
7. Voter participation
8. Representation in legislative bodies
9. Delivery of basic services (water, sanitation, electricity, roads); citizen perception on basic service delivery
10. Trust and confidence in government institutions

Economic progress, transformation, and employment

Macro-economy:

11. Real gross domestic product growth rate
12. Real GDP per capita
13. Interest rates
14. Inflation rate
15. Balance of payments

Investment:

16. Gross fixed capital formation (Public, private)
17. Foreign direct investment
18. Infrastructure development and maintenance

Employment:

19. Total Employment
20. Unemployment (broad and narrow)
21. Composition of employment (industries, gender, race, youth and persons with disabilities)

Economic transformation:

22. Ownership of large firms (JSE-listed entities)
23. Proportion of Black and female managers in public and private sectors
24. Competition and accessibility of markets (Levels of concentration in key economic sectors)

Human capital, innovation and competitiveness

Human capital

25. Early childhood development (ECD 0-6)

26. Enrolment rates at basic education, matric; post school education)

27. National senior certificate (matric) examinations pass rate (mathematics and physical science passes)

28. Graduation rates (& graduates in science, engineering and technology fields)

29. Adult literacy rate

30. Learner–educator ratio in ordinary schools

31. Composition of academic staff (proportion with doctoral qualifications, gender, race)

32. Doctoral graduates

33. Researchers per 1000 in population

Technological innovation and competitiveness

34. Expenditure in research and development

35. ICT and the digital economy

36. Patents

37. Scientific publications

38. Manufacturing contribution to GDP and Exports

39. Medium and high technology proportion of exports

40. Network infrastructure efficiency (roads, rail, ports, digital networks)

41. South Africa's competitiveness rankings

Nation building, social cohesion and inclusive society

42. Pride in being South African

43. Identity based on self-description

44. Country going in the right direction

45. Confidence in a happy future for all races

46. Public opinion on race relations

47. Mainstreaming of women, youth and persons with disabilities in priority outcome areas

Better quality of health

48. Life expectancy at birth (LE)

49. Infant and under-five mortality rates

50. Severe acute malnutrition under five years

51. Immunisation coverage

52. Maternal mortality ratio (deaths per 100 000 live births)

53. HIV prevalence & Antiretroviral treatment

54. Burden of diseases: Tuberculosis; Malaria; non-communicable diseases

Social wage

55. SAMPI – Multidimensional Poverty Index

56. Gini coefficient

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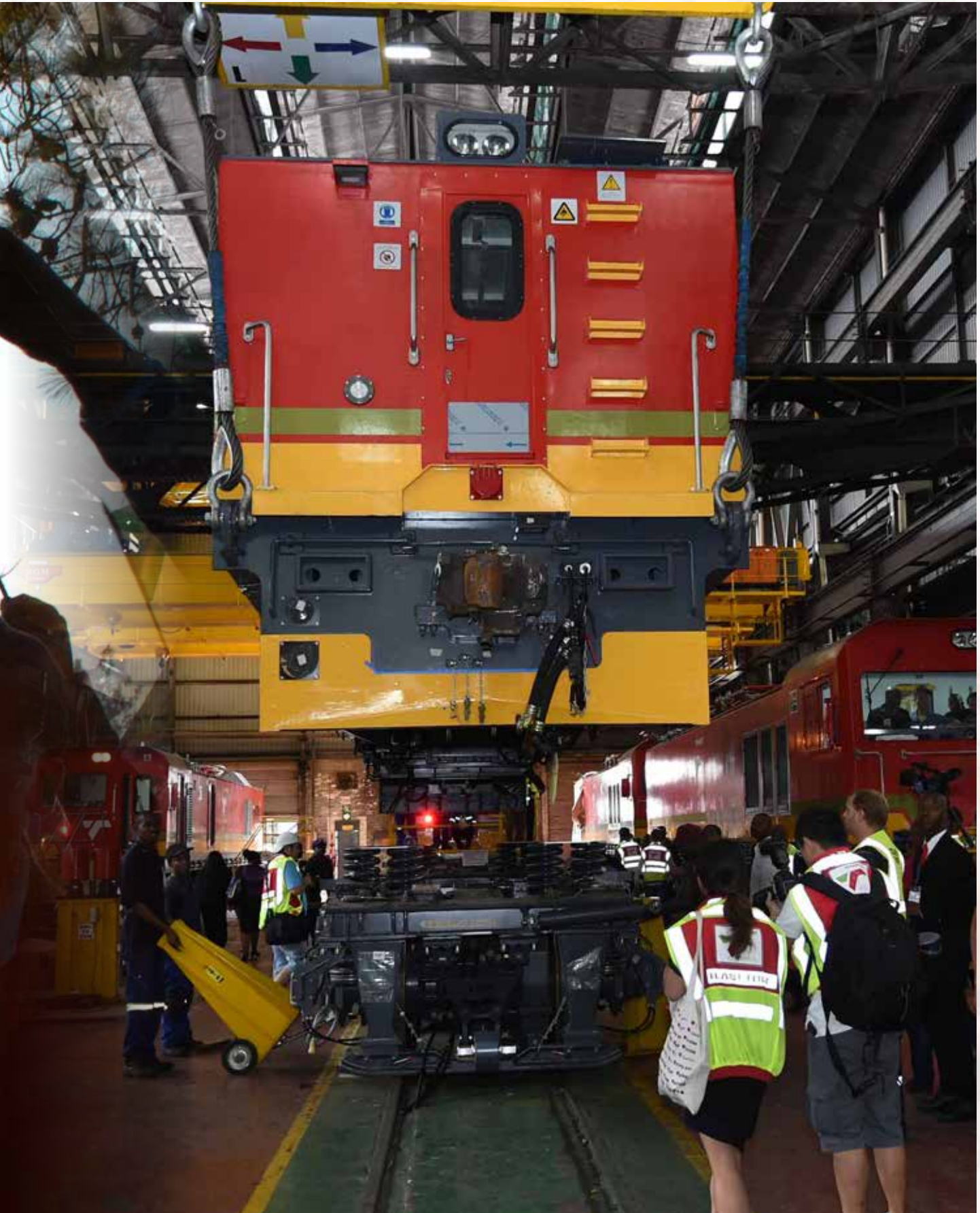
SYNTHESIS REPORT

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