
SOCIAL AND ECONOMIC TRANSFORMATION

INTRODUCTION

It is widely accepted that South Africa's democracy is founded on one of the noblest constitutions in the world. As per the precepts of the Constitution, all the people of South Africa, irrespective of race, religion, creed or any other fault-line are guaranteed human dignity, equality, human rights and freedoms (Constitution of South Africa, 1996:30). The state is recognised as having the responsibility to "respect, protect, promote, and fulfil the rights" of everyone in the country (Constitution of South Africa, 1996:6). Notwithstanding, there have been concerns with some parts of the Constitution of late or increasingly. That is why, in the preceding chapter, I suggest that it would have been important that a referendum on the Constitution for the democratic South Africa should have taken place.

Indeed, since the dawn of democracy, significant effort by the state and other sectors of society has gone into devising policies and programmes that seek to bring to life these noble ideals as demonstrated in the previous chapter. This is the essence of the Constitution and consequently an expectation that government pursues human development comprehensively from various perspectives: the human rights and other freedoms such as economic, social, and cultural ones as well as the expansion of capabilities. As previous chapters demonstrate, South Africa has performed below par. This chapter interrogates the various social and economic indicators.

SOCIAL AND ECONOMIC DEVELOPMENT

Social Development Has Improved, But is Still Not Good Enough

Much has been achieved regarding the implementation of the government's priority on addressing the lack of access to basic social services. However, as the discussion will show, there is still a long way to go in ensuring a 'Better Life for All'. Statistics South Africa (StatsSA) data and government records indicate that impressive progress has been achieved in ensuring that people have access to basic services such as clean water sources despite numerous more people still not receiving piped (tap) water as indicated earlier. The service delivery challenges remain unabated. Progress has varied: some areas show improvements while others are deteriorating. For instance, as Table 8 illustrates, there has been an increase in access to formal dwellings and a decline in informal and traditional dwelling, although these improvements are not that significant, particularly from 2011.

Table 8: Access to Services and Type of Dwelling in South Africa (1996-2019)

Type of Main Dwelling	1996	2001	2011	2018	2019
Formal	65.1	68.5	77.6	81.1	81.9
Informal	16.2	16.4	13.6	13.1	12.7
Traditional	18.3	14.8	7.9	5.0	4.1
Other	0.4	0.3	0.9	0.8	0.3
Household Basic Services					
Piped water (tap)	80.3	84.5	91.2	89.0	88.2
Electricity (lighting)	58.2	51.4	84.6	84.7	85
Toilet Facilities					
Access to a flush toilet	82.9	82.3	90.6	83.0	82.1
Bucket toilet	4.7	4.1	2.1	2.8	2.4
No toilet	12.4	13.6	7.3	14.2	-

Source: Adapted from various StatsSA surveys

Table 9: Number of Social Grants Per Grant Type, (2012/13-2019/20)

Grant Type	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Old age	2 969 933	3 086 851	3 194 087	3 302 202	3 423 337	3 553 317	3 676 791
War veterans	429	326	245	176	134	92	62
Disability	1 120 419	1 112 663	1 085 541	1 067 176	1 061 866	1 048 255	1 042 025
Grant in aid	83 059	113 087	137 806	164 349	192 091	221 989	273 922
Care dependency	120 632	126 777	131 040	144 952	147 467	150 001	154 735
Foster child	512 055	499 774	470 015	440 295	416 016	386 019	355 609
Child support	11 125 946	11 703 165	11 972 900	12 081 375	12 269 084	12 452 072	12 787 448
Total	15 932 473	16 642 643	16 991 634	17 200 525	17 509 995	17 811 745	18 290 592
Annual Growth	-1.08%	4.46%	2.10%	1.23%	1.80%	1.72%	2.69%

Source: South African Social Security Agency, Annual Report (2019/2020)

There remain significant backlogs. For instance, approximately 18% of households do not have access to a flush toilet and about 14% of households do not have a toilet at all, as is shown in Table 8. Table 8 provides apt reasons for the public protests that have increased significantly post 2007. It is also worth highlighting South Africa's social assistance programme, the cash transfer system. Table 9 indicates that South Africa has an extensive social assistance programme that has helped cushion households against extreme hardship.

In 2012/13 approximately 16 million people received social grants which constituted 3.1% of GDP. By 2018/19, there were 17.8 million grant recipients in total. The 12.5 million

child support grant recipients constituted 70.2% of the total grant recipients in 2018/19. This grant is provided to children in need until they reach the age of 15. It is expected that children under 18 will, over time, also receive the child support grant as per the means test. The age requirement for the old age pension for men was also reduced to 60.

The challenge with the social assistance programme is its financial sustainability and possible unintended consequences. Although it was stabilising as a share of the GDP, it is still remarkably high (over 3%). As for the unintended consequences, the fundamental issue relates to the kind of society South Africa aspires to be. Ideally, as in Brazil and India, more people should be gainfully employed than on social assistance.

The grants, however, especially in the context of a small informal sector, play an important role in mitigating severe hardship endured by those in need. As some findings on poverty suggest, the grants may have cushioned the poor against the global economic recession.

Economy Has Stabilised, But Remains Untransformed

Democratic South Africa's economy has been growing relatively faster than it has in decades. However, the economy has since stabilised and South Africa is now beginning to record stagnating growth levels because of the global economic recession and poor economic management.

The Gross Domestic Product (GDP) per capita has been increasing at an impressive rate, particularly since 1996. With all its shortcomings, the GDP per capita is an important indicator of improving standards of living in a society. Whereas the GDP per capita was declining from 1980 to 1994/5, South Africa has seen marked improvements in economic growth. During the 1994-2004 period, the growth averaged at about 3%, which is a considerable improvement on the decade prior to 1994 when the growth averaged at 1% per year.

Since 2004, growth has exceeded 4% per year, reaching about 5% in 2005. Whereas the steady growth of the economy could be interpreted as positive, the pace has not been matched with the requisite elements to support such an economy. In other words, although the improvement in GDP (per capita) cannot be entirely attributed to macroeconomic stabilisation alone, it coincides with key macroeconomic interventions, specifically GEAR. For an economy to perform well, macroeconomic stabilisation is a prerequisite.

As Table 10 shows, the GDP, and not the per capita incomes per se, has been performing relatively well in South Africa. Looking at the recent period, following the macroeconomic stabilisation programme of the 1990s, GDP has averaged – barring the recent global economic recession – about 3.5%. However, the expected jobs have not been forthcoming despite the economy creating a relatively good number of jobs in the growth period of 2005-2008.