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SONA 2017 press release: South Africa's silver lining

With the State of the Nation 2017 a day away, thoughts turn once again to the serious challenges facing South Africa. Regular readers of our reports and users of our briefing services will know just how serious those challenges are. But, according to an IRR report released today, there is a 'silver lining' as the country has also made progress in terms of the economy, the world of work, living standards and service delivery, education, health and crime. The gains represent what is at stake if we do not address the major challenges of low economic growth and high unemployment. In 2016 the number of South Africans on social grants (17 149 931) exceeded the number of employed (15 545 000), which signals the tide has turned.

South Africa is at a crossroads, we either use good policy to capitalize on the gains made since 1994 or we continue to adopt and ignore damaging policy which will wipe out the gains.

The economy:

- GDP growth levels that reached levels in excess of 5% between 2004 and 2007. Real per capita GDP increased from below R 45 000 per head in 1994 to above R 55 000 in 2015. Real GDP itself almost doubled from R 1 652 million in 1994 to R 3 055 million in 2015.
- Government bond yields halved post-apartheid and budget deficits recovered and surpluses were recorded between 1994 and 2007.
- The rate of inflation the 'enemy of the poor' fell after 1994.

The world of work:

- The number of black African people with jobs more than doubled between 1994 and 2015.
- The number of black African professional employees as well as the number of black African management employees both increased by almost 200% since 2000.
- Despite serious unemployment, the labour market participation rate has increased in 1995.
- The number of people dependent on those that work has decreased.



The power of ideas

Living standards and service delivery:

- For every family that has moved into a shack since 1996, 10 families have moved into a formal house.
- Just over a thousand households have received access to clean water every day since 1996.
- The number of households with access to flush or chemical toilets has increased by 151.2%.
- On average over 1 000 additional households have been connected to the electricity grid every day since 1996.
- Car ownership has increased exponentially.
- The proportion of children who do not get enough to eat has fallen from 13.1% in 2000 to 4.5% in 2014. This is a strong indicator of living standards improving.

Education:

- The number of black African candidates passing matric increased from 259 in 1955 to 369 903 in 2015.
- The proportion of the university-going population that is black African has increased from just under 20% in 1986 to over 70% in 2014.
- Total university enrolment has increased four-fold over the last 30 years resulting in the finding that the number of black African people with a degree or higher has doubled since 2002.

Health and crime:

- The number of public sector professional nurses, doctors and specialists has increased since 2000.
- The still birth rate has fallen since 2002 and the number of new HIV infections has halved since 1999.
- The murder rate has almost halved since 1994/5.

The IRR believes that these findings can serve as a reminder that the country has come a long way, and they dispel the dangerous notion that life was better before 1994. But on the other side of this narrative are the millions of people excluded from the success story. If SONA 2017 does not address the challenges more and more South Africans will feel that political freedom has not been accompanied with economic freedom.

Download the report <u>here</u>.

This report on progress made in South Africa since the mid-1990s forms the third of a three-part release ahead of the 2017 State of the Nation Address. The three reports from the IRR covered transformation, race relations, and an analysis of the country's economic 'silver lining'.

Ends.