

STATE OF THE NATION

THE
**SILVER
LINING**

2017

 **IRR**
South African Institute of Race Relations
The power of ideas



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STATE OF THE NATION 2017: THE SILVER LINING

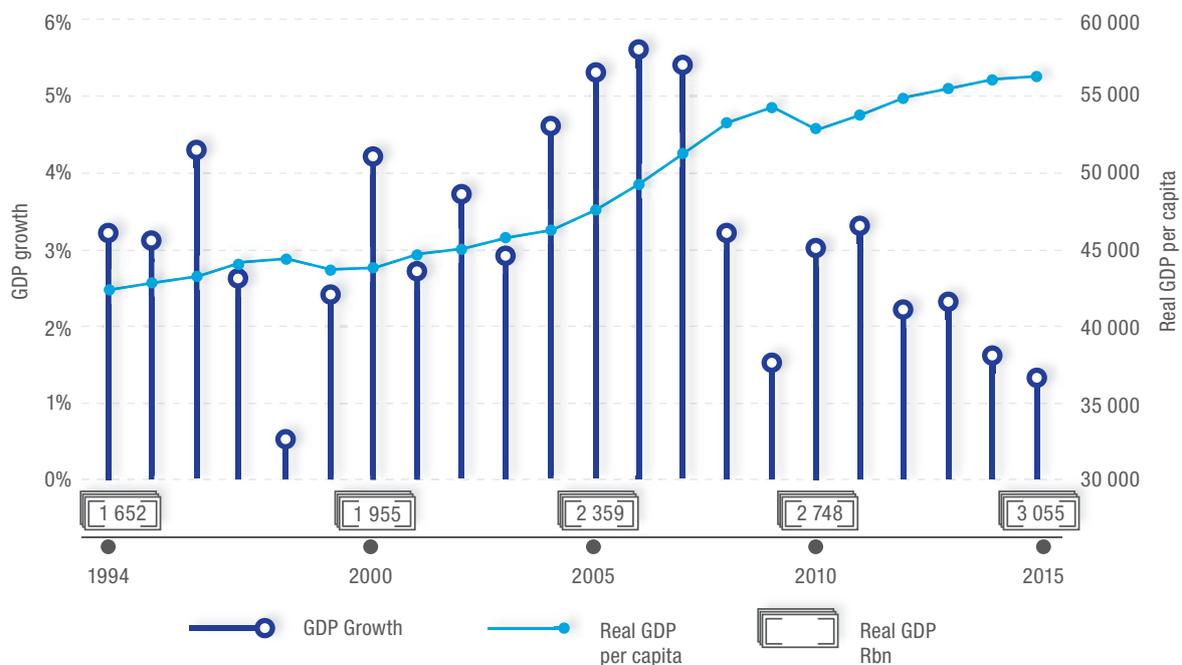
Introduction

On 9th February 2017 President Zuma will deliver the State of the Nation Address (SONA). We expect that media coverage and public debates around the address will focus on the failures of the government and the challenges confronting our country. Regular readers of our reports and users of our briefing services will know just how serious those challenges are. However, those readers will also know that a lot has gone right in South Africa and that the successes we have achieved as a society are often overlooked. In order to bring some perspective to the 2017 SONA and subsequent media reporting, we have produced this report, which features some examples of the progress South Africa has made in the economy, the world of work, living standards, education, health, and crime.

Progress in the economy

The graphic below shows that compared to the economic catastrophe of the 1980s and early 1990s, GDP growth recovered in the aftermath of the 1994 election and rose steadily to average levels in excess of 5% between 2004 and 2007. Real per capita GDP increased from below R45 000 per head in 1994 to above R55 000 in 2015. Real GDP itself almost doubled from R1 652 million in 1994 to R3 055 million in 2015.

1: GDP growth, real GDP per capita and real GDP, 1994–2015



Change in real disposable income per capita

The graphic below shows that average after-tax per capita income levels increased from under R25 000 per head in 1994 to just under R35 000 per head in 2015. When the economy recorded its fastest growth rates (between 2004 and 2007) per capita income levels increased at between 3% and 5% per annum – the best such performance after 1994.

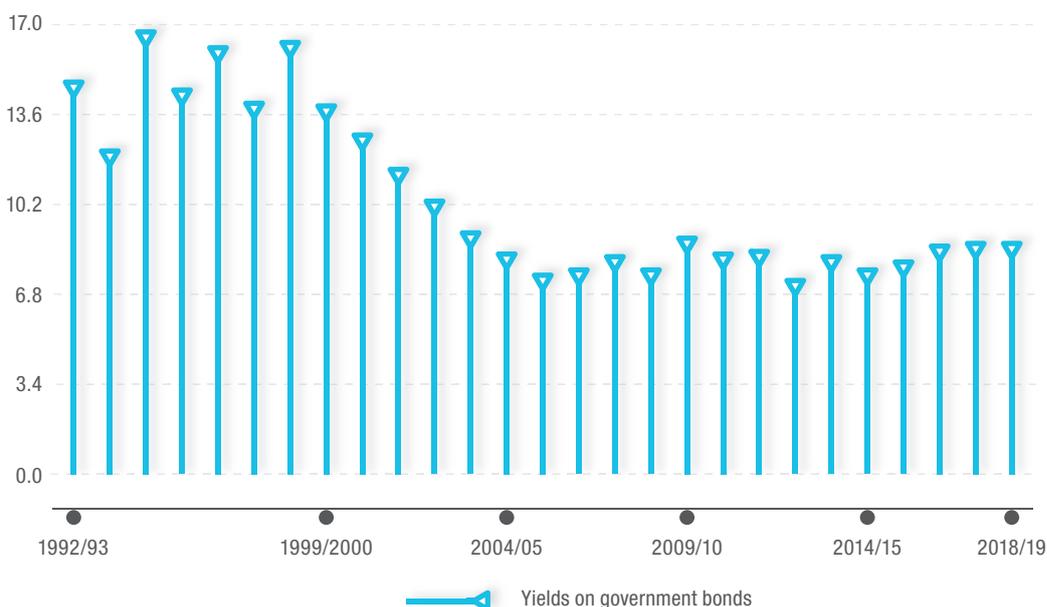
2: Real disposable income per capita, 1994–2015



Government bond yields

The graphic below shows that bond yields were cut in half from the levels recorded in the latter days of the apartheid system as confidence in South Africa recovered. Yields are a measure of the government’s borrowing costs and as they fell, it became cheaper for the government to access some of the funding it employed to develop infrastructure.

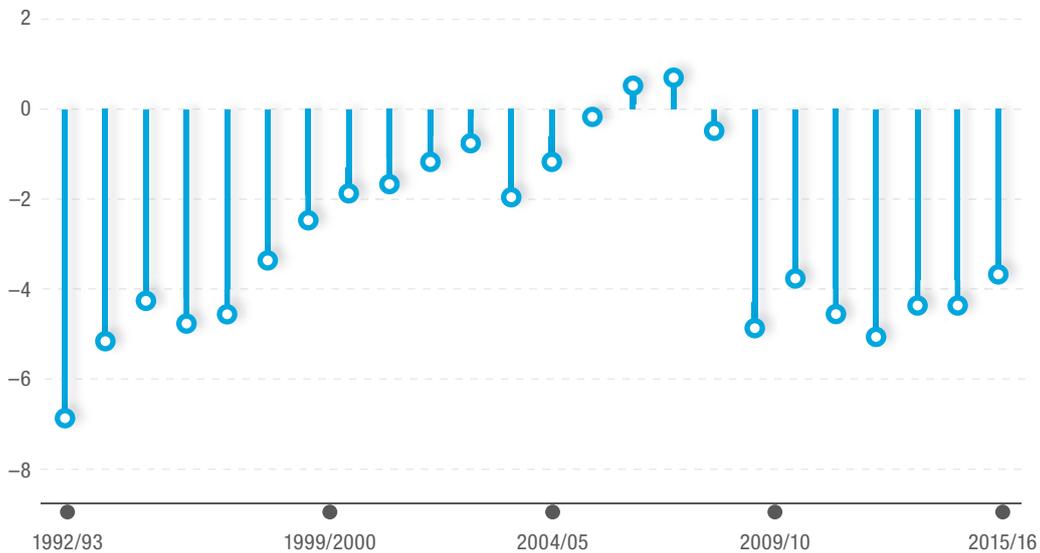
3: Government bond yields, 1992/93 forecast to 2018/19



Budget deficits and surpluses

The graphic below shows how the budget deficit recovered from levels below -6% of GDP in the run-up to the democratic transition. In the mid-2000s, two years of surpluses were even recorded. The picture changed after 2007, but the successes recorded between 1994 and 2007 were remarkable and stand as one of the post-1994 government's most impressive economic policy achievements.

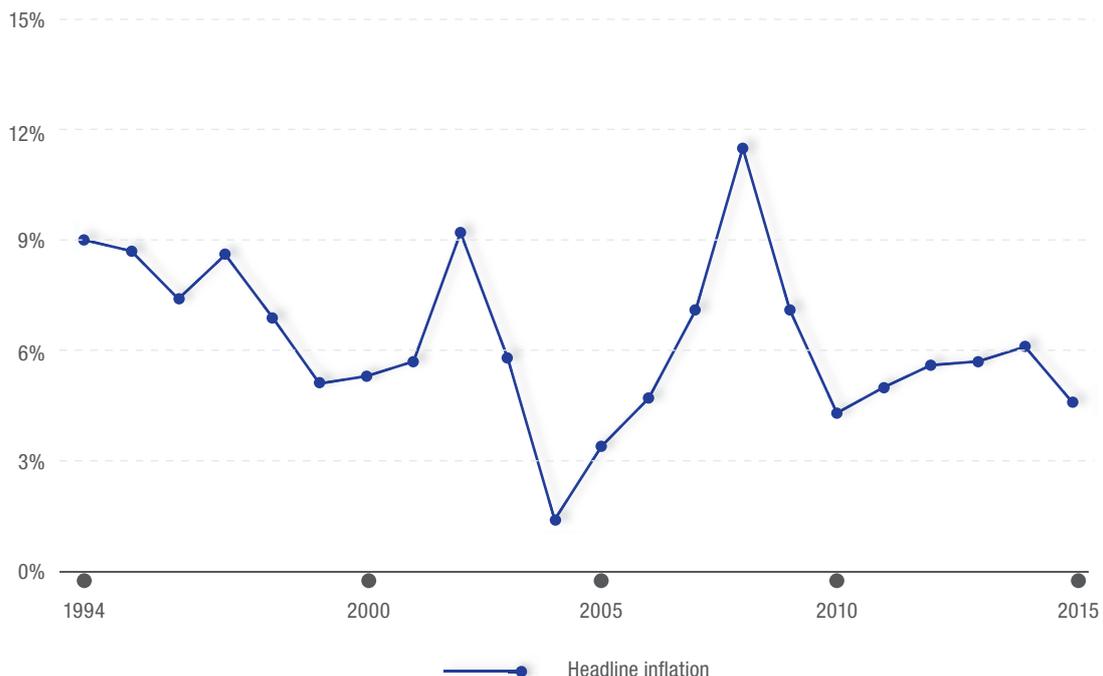
4: Budget deficit as a proportion of GDP, 1992/93–2015/16



Inflation

The data in the graphic shows how the rate of inflation fell after 1994. Inflation is known as 'the enemy of the poor' because of its effect in reducing the real value of money. In reducing and managing inflation so effectively, the government did a great deal to improve the living standards of people in poor communities.

5: Inflation rate, 1994–2015

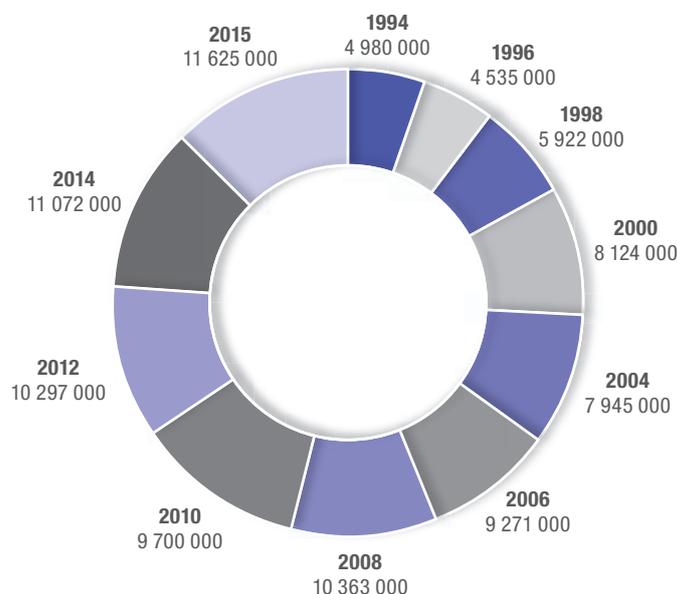


Progress in the world of work

People with jobs

The graphic below shows that the number of black African people with jobs has more than doubled from 4 980 000 in 1994 to 11 625 000 in 2015. It is not true, as many critics suggest, that South Africa has experienced two decades of jobless growth.

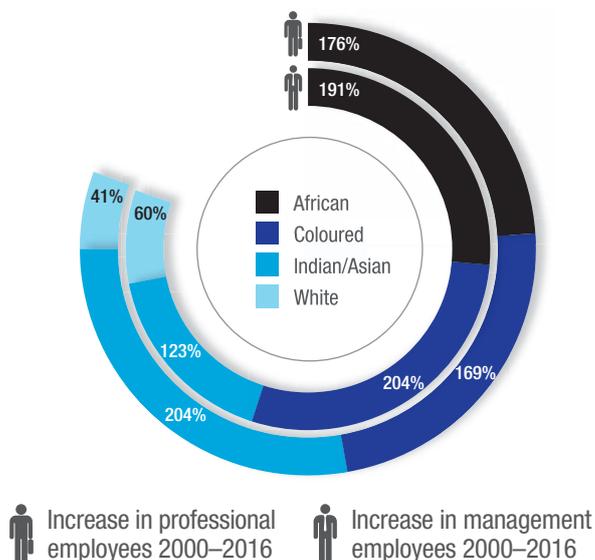
6: Number of black African people with jobs, 1994–2015



Professional and management employment

The graphic below shows that the number of black African professional employees increased by 176% since 2000 while the number of black African management employees increased by 191%. Increases of a similar magnitude are true for coloured and Indian/Asian employees. The number of white management and professional employees has increased at a much slower rate, showing the extent to which racial transformation has taken place in the world of work.

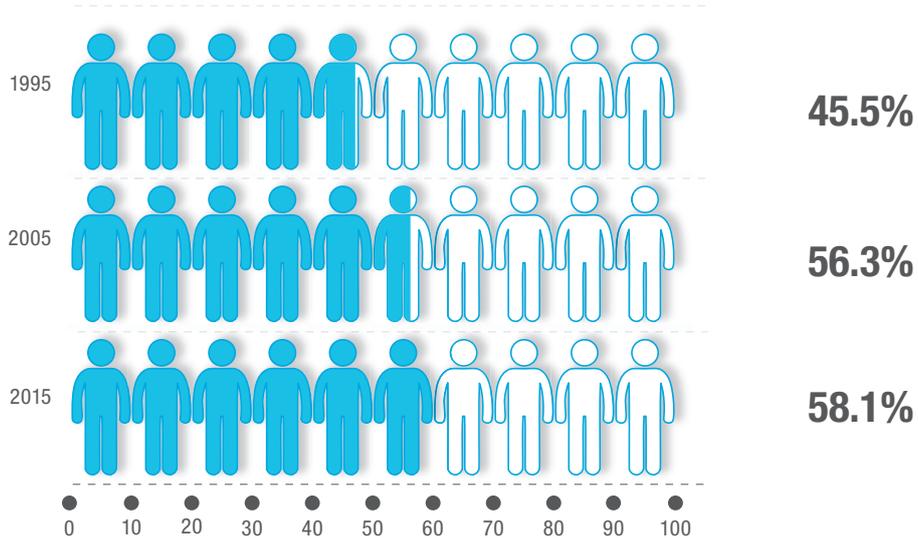
7: Change in number of professional and management employees, 2000–2016



Labour market participation

The labour market participation rate measures the proportion of people of working age who are working or looking for work. Despite South Africa's serious unemployment problem, the rate has increased steadily since 1995.

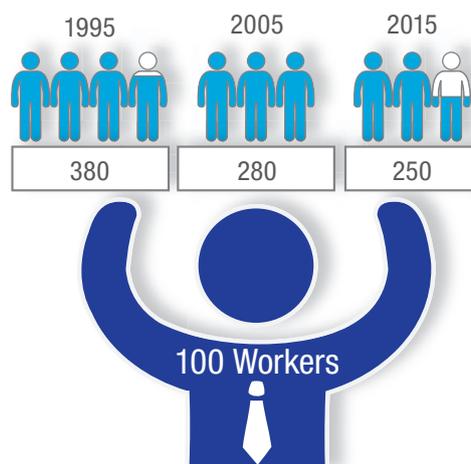
8: Labour market participation rate, 1995–2015



Dependency ratio

The dependency ratio measures the number of people who depend on every 100 who work. In 1995 there were 380 people dependent on every 100 employed people. The rate has fallen steadily and now there are 250 people dependent on every 100 employed people.

9: Labour market dependency ratio, 1995–2015



Progress in living standards and service delivery

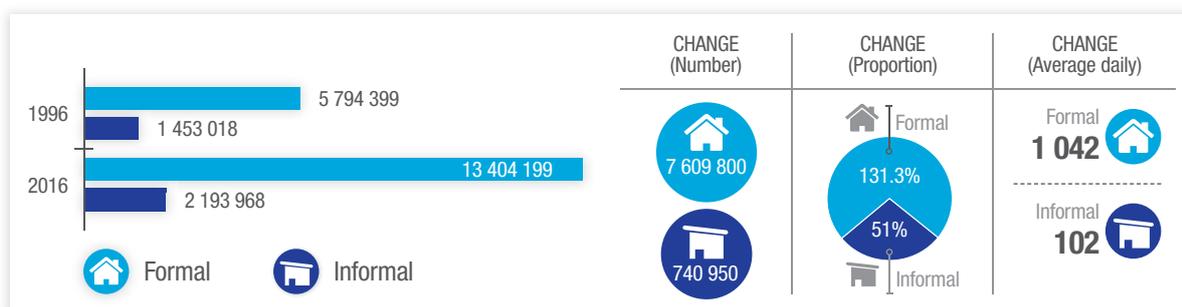
Change in living standards

The four graphics below show the success of South Africa's service delivery efforts over the past 21 years.

Housing

The number of households living in a formal house increased from 5 794 399 in 1996 to 13 404 199 in 2016 or by 131.3%. The number living in a shack increased from 1 453 018 to 2 193 968 or by 51%. The truly striking data is that the number of families living in a formal house increased on average by 1 042 per day since 1996, while those living in a shack increased by 102. In other words, for every family that moved into a shack, ten moved into a formal house.

10: Access to housing



Water

The graphic shows that the number of households with access to clean water increased from 7 234 023 in 1996 to 15 218 753 or by 110.4%. Since 1996, just over a thousand additional households have received access to clean water every day.

11: Access to piped water



Sanitation

The graphic shows that the number of households with access to flush or chemical toilets increased from 4 552 854 in 1996 to 11 436 619 on 2016 or by 151.2%.

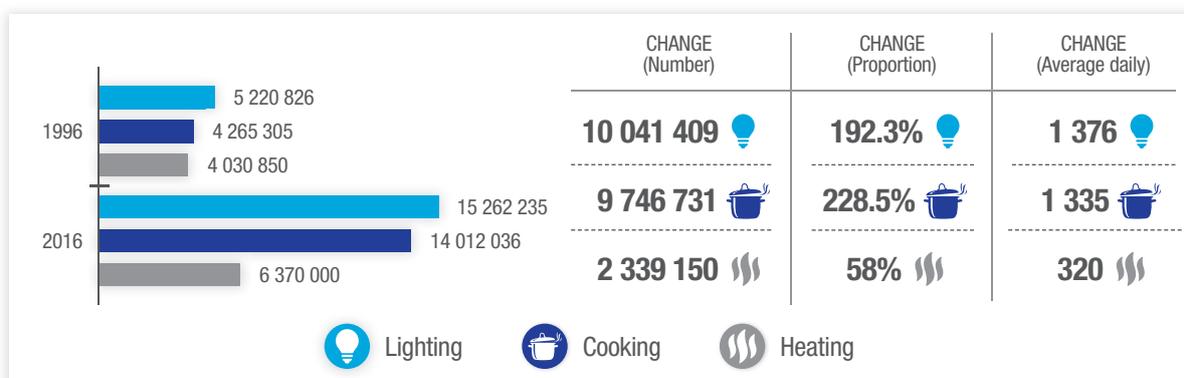
12: Access to flush or chemical lavatories



Electricity

The graphic shows that the number of households using electricity for lighting, cooking, and heating increased by 192.3%, 228.5%, and 58% respectively since 1996. On average 1 376 additional households have been connected to the electricity grid every day since 1996.

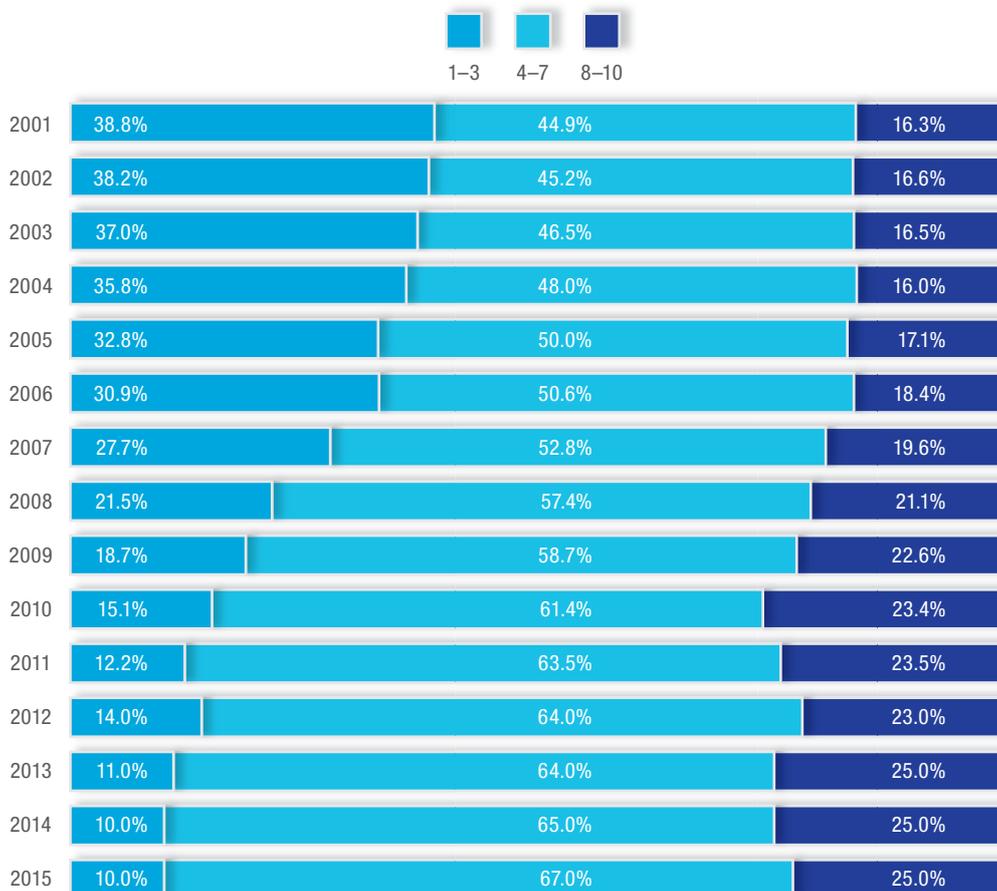
13: Use of electricity



Living Standards Measures (LSMs)

LSM data groups people according to their living standards, where Category 10 contains people with the highest standards of living and Category 1 those with the lowest. The graphic shows that the proportion of people in categories 1–3 have fallen from 38.8% in 2001 to 10% in 2015. This LSM data corroborates the data on service delivery successes and also that on progress made in the labour market.

14: Change in Living Standard Measure (LSM) categories, 2001–15



Motor vehicle ownership

Data on motor vehicle ownership provides a good insight into the living standards and economic progress made by a society. The data in the graphic below shows that the number of registered motor cars increased from 3 851 048 in 1999 to 6 905 939 in 2016 – this is a good measure of the increase in the size of the middle class. The number of all registered vehicles, including commercial and other vehicles, increased from 5 992 056 in 1999 to 10 669 410 in 2016.

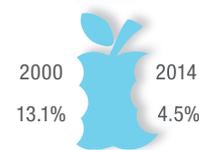
15: Motor vehicle ownership, 1999 and 2016



Child nutrition

The conditions that children live in says a lot about the socio-economic progress made by a society. The graphic shows that the proportion of children who do not get enough to eat has fallen from 13.1% in 2000 to 4.5% in 2014.

16: The proportion of children who are malnourished, 2000 and 2014

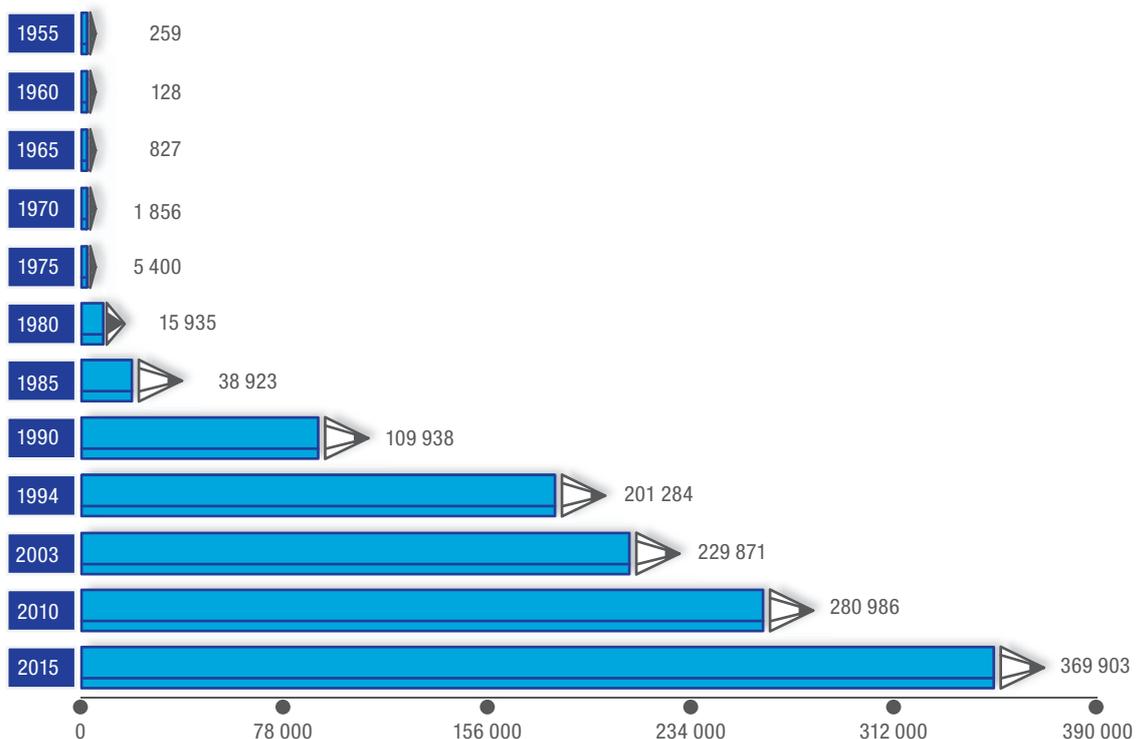


Progress in education

Black African matric class

The graphic below shows that the number of black African candidates passing matric increased from 259 in 1955 to 369 903 in 2015.

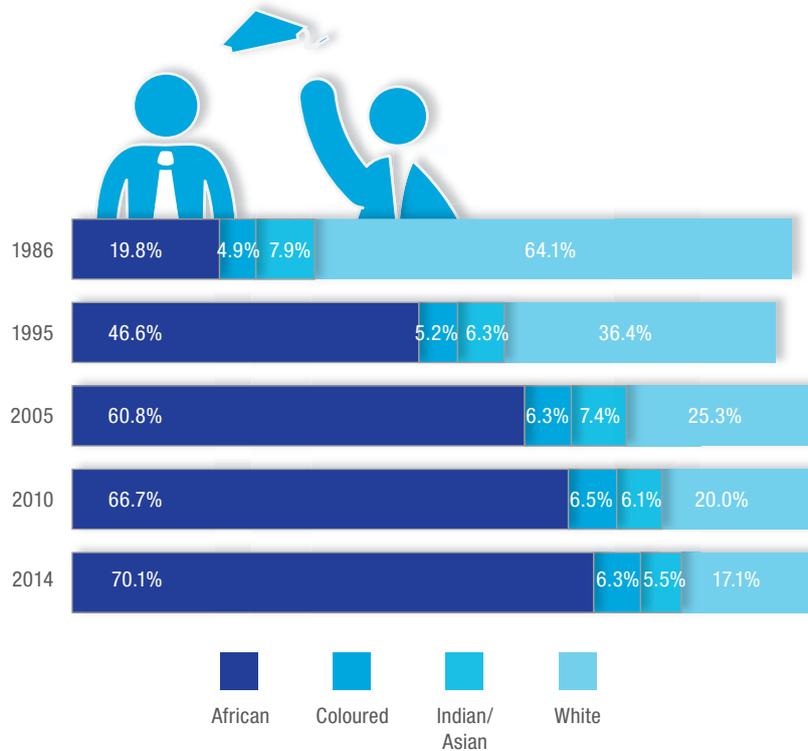
17: Black African matric passes, 1955–2015



University population

The graphic below shows that the proportion of the university-going population that is black African has increased from just under 20% in 1986 to over 70% in 2014.

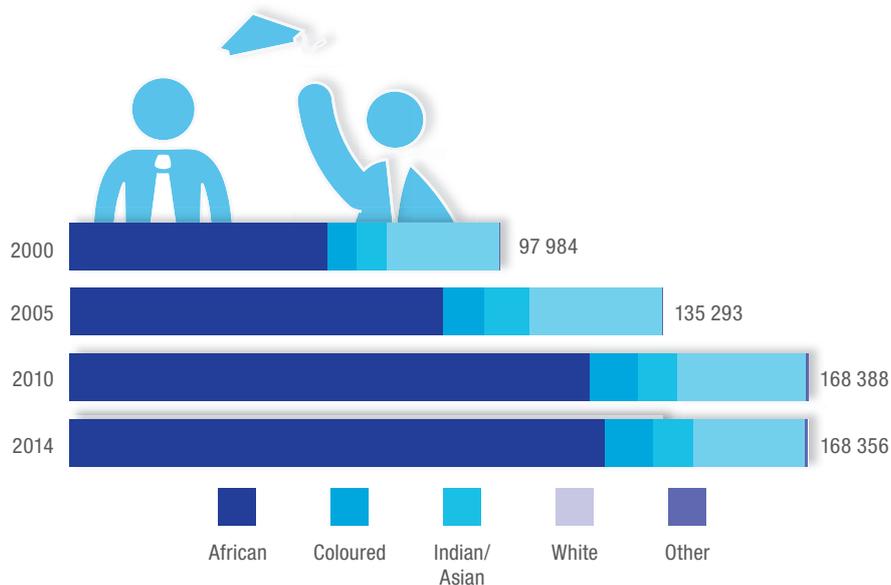
18: University population by race, 1986–2014



First-year university enrolment

The graphic below shows that the number of first year students enrolling at public universities increased from under 100 000 in 2000 to over 160 000 in 2014. Far more has been achieved in increasing access to higher education in South Africa than many analysts understand or admit.

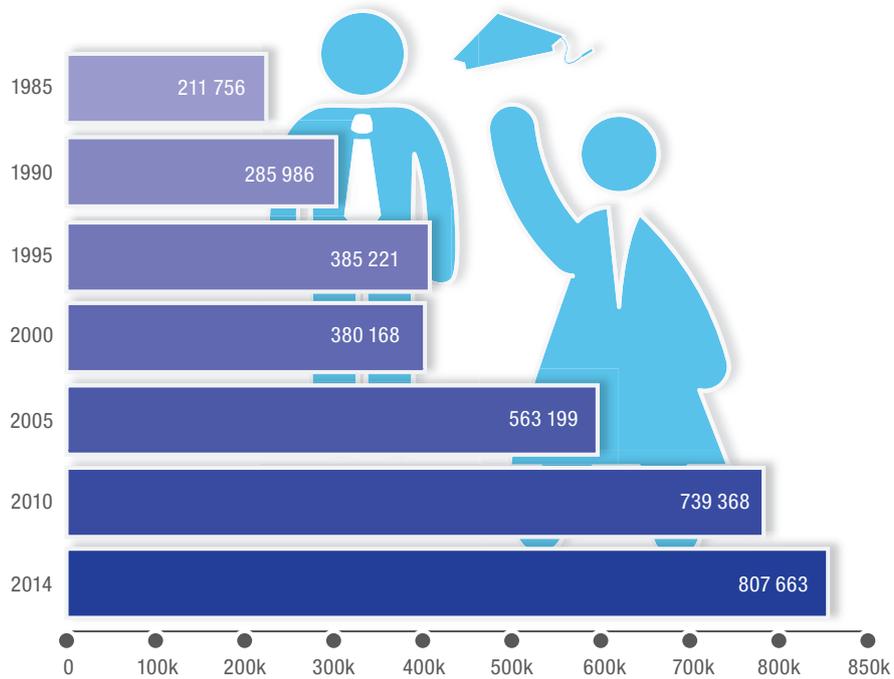
19: First-year university enrolment, 2000–2014



Total university enrolment

The graphic below shows that total university enrolment has increased four-fold over the past 30 years.

20: Total university enrolment, 1985–2014



Black African people with a tertiary qualification

Because of improved access to higher education the number of black African people with a degree and higher has more than doubled since 2002.

21: Black African people with a degree and higher, 2002 and 2015

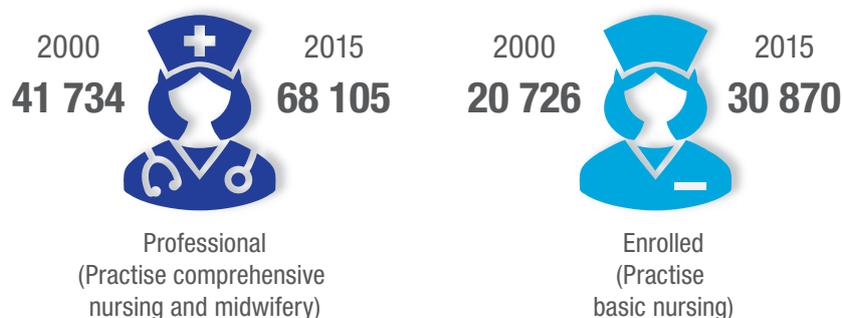


Progress in healthcare

Public sector nurses

The number of registered public sector professional nurses increased from 41 734 in 2000 to 68 105 in 2015 or by 63.2%. Over the same period, the number of public sector enrolled nurses increased from 20 726 to 30 870 – by 48.9%.

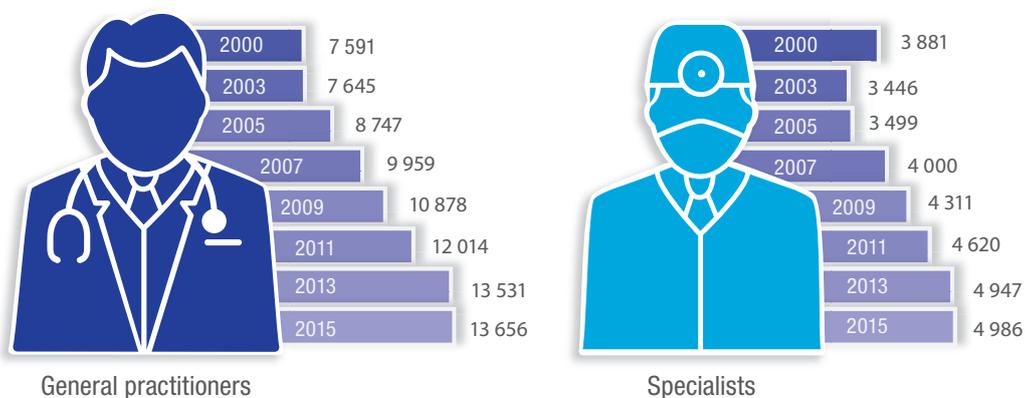
22: Registered public sector nurses, 2000 and 2015



Public sector doctors

The data in the graphic below shows that the number of GPs working in the public sector has increased from 7 591 in 2000 to 13 656 in 2015. The number of specialists has increased from 3 881 to 4 986 over the same period.

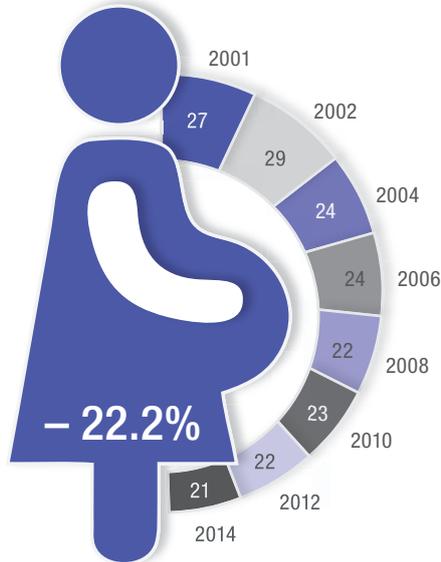
23: Doctors in the public sector, 2000–2015



Still birth rate

The graphic below shows that the still birth rate (measured per 1 000 births) has declined from 29 in 2002 to 21 in 2014. The rate is seen as a good measure of the quality of care provided to expectant mothers by a public healthcare system.

24: Still birth rate per 1 000 births, 2001–2014



New HIV infections

The graphic below shows that the number of new HIV infections has fallen by roughly half since 1999.

25: New HIV infections, 1999–2015

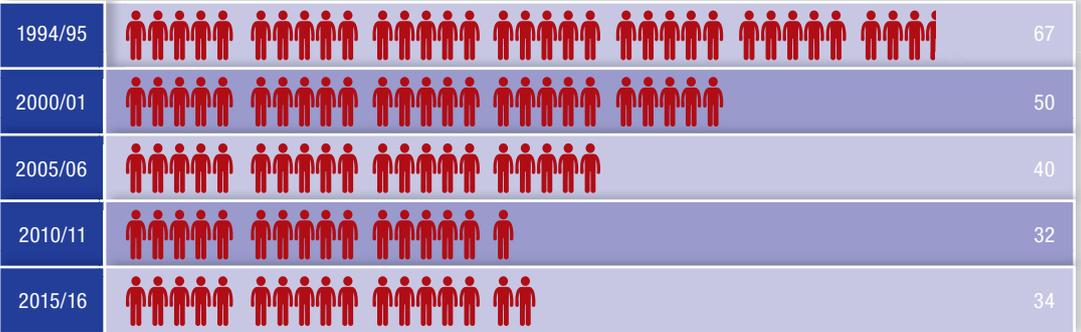


Progress in community safety

Murder

The graphic below shows that the murder rate (measured per 100 000 people per year) declined from 67 per 100 000 people in 1994/95 to 34 in 2015/16 – or by almost 50%.

26: Murder rate, 1994/95–2015/16



 = two people