



Pocket Guide to South Africa 2008/09  
**SOUTH AFRICA TODAY**

South Africa has experienced enormous change over the past 15 years. The achievement of democracy in 1994 led to transformed institutions, new policies and the start of a new society.





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At the same time, government also had to deal with the legacy left by apartheid and the challenge of integrating South Africa into the world.

In line with the democratic Constitution, new policies were put in place to improve people's quality of life. This has constituted a systematic effort to dismantle apartheid social and economic relations and create a society based on equity, non-racialism and non-sexism.

The new Government's Reconstruction and Development Programme (RDP) outlined its key objectives as:

- meeting basic needs
- building the economy
- democratising the State and society
- developing human resources
- nation-building.

Even as the legacy of apartheid was being dismantled, changes in South African society brought new challenges. The *First Decade of Freedom Review*, conducted by government in 2003, assessed how far these objectives had been met through the work of its five clusters, and identified challenges of the Second Decade of Freedom. This review was supplemented in 2006 by a report on macrosocial trends. The report, entitled *A Nation in the Making*, concluded that South African society was making advances in terms of both hard (socio-economic) and soft (identity and social cohesion) issues, but that there were still many challenges to be overcome to fully realise the vision of a better life for all.

The election of 2004 mandated government to implement programmes to sustain and speed up the positive developments and address challenges. Government called on society to work together to halve poverty and unemployment by 2014. To achieve this, it set itself these broad priorities:

- growing the economy, as the main area of intervention
- new measures to help the poor enter the economy so they could move out of poverty
- improving state performance, the campaign against crime and South Africa's relations with other countries.



The millennium development goals provided further detailed targets and commitments consistent with the broad thrust of government's priorities for the Second Decade.

In 2007, Cabinet approved a set of key development indicators to provide evidence-based pointers to the evolution of our society and in 2008, these indicators were again released. Government also undertook a *15-Year Review* during 2008 to assess the progress made in creating a better life since 1994, with particular emphasis on the past five years. Collectively, these statistics and assessments trace the evolution of our democratic governance and our society and indicate both the areas of progress achieved as well as the challenges that need to be addressed.

### **Governance and Administration Cluster**

The principal focus since 1994 has been on deepening the democratisation of governance and improving the capacity of the State to advance the objectives of reconstruction and development.

The first 10 years of democracy saw remarkable progress in unifying and integrating the Public Service. By 2004, the Public Service had also evolved in terms of representivity, with Africans at 72% of service at all levels. Since then, it has become still more representative. Women now occupy 34% of all senior positions.

Successive elections have increased the proportion of women in legislatures and the executive at 33% is one of the world's highest, as is participation of women in the executive across the three spheres.

Strong institutions of representative democracy have been built, including Parliament, provincial legislatures and municipal councils. Independent institutions support them, including the Human Rights Commission; Public Protector; Auditor-General; and Commission on Gender Equality. An independent judiciary has also been established.

Government has also sought to enrich participatory democracy through mechanisms such as the mandatory community consultation in formulating municipal integrated development plans; izimbizo (government interaction with communities); ward committees; Thusong Service Centres (previously multi-



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purpose community centres); and community development workers (CDWs). Izimbizo have been held regularly since 2001 and includes the presidential izimbizo involving the president or deputy president; and national imbizo weeks held twice a year involving the executive of all spheres of government taking part in hundreds of community interactions.

Thusong Service Centres bring government information and services closer to areas with little or no access. By 2009, 130 centres were operational. By 2008, 3 305 CDWs had been trained and deployed to help communities access services and development opportunities. Ward committees had been established in 96% of wards.

Traditional leadership has also been afforded a role in democratic South Africa with several pieces of legislation having been passed since 1994 to recognise traditional leadership. There is a programme of support to traditional institutions and a national department is being established to deal with traditional affairs.

Government has created an environment for transparency and openness between the State and the citizens through, among other things, the Promotion of Access to Information Act, 2000, which allows citizens to access information primarily in possession of the State. It has also adopted the Batho Pele or "People First" approach, which has become the guiding principle for public services.

It has also steadily strengthened its ability to deal with corruption through the Special Investigating Units and Special Tribunals Act, 1996, Public Service Anti-Corruption Strategy (2002) and the Combating of Corrupt Activities Act, 2004.

The permutation of national ministries and departments, with minor adjustments, was inherited from the pre-1994 administration. Various structures have emerged to promote integration and co-operation in governance. A government-wide monitoring and evaluation (M&E) system has been developed and a programme of capacity development for M&E units in departments has been initiated.

Financial management has improved at government level through the implementation of the Public Finance Management Act, 1999 and the Municipal Finance Management Act, 2003.



Capacity-building in the Public Service has been a special focus since 2004. A massive boost in public-service training began when the Public Administration Leadership and Management Academy (successor to the South African Management Development Institute) was inaugurated in August 2008.

At local government level, Project Consolidate was launched in 2004 as a two-year hands-on intervention to boost skills development in 136 municipalities. By August 2008, 1 134 experts had been deployed to 268 municipalities (including 139 Project Consolidate municipalities).

### **Social Cluster**

The Social Cluster focuses on alleviating poverty and reducing inequality. The social-grant system is the largest form of government support for the poor, servicing just over 12 million beneficiaries.

Since 1994, government has achieved significant progress in creating access for all South Africans to basic services such as electricity, water and sanitation. Government provides free basic services to poor households: 6 000 litres of water a month; and electricity worth 30 units per month. Households using electricity for lighting has increased to 80% while households using electricity for cooking has increased to 67% and 59% for heating. Households with taps in dwellings or on site increased to 70% in 2007 from 61% in 2001. The number of households with access to a flush toilet increased to 60% in 2007.

Between 1994 and 2006, households using the bucket system decreased from 609 675 to 113 085 in all areas.

In 2005, 5,59% of the country's gross national product was used for education. Expenditure on all education programmes has expanded rapidly, resulting in a higher participation rate. Further Education and Training college enrolments increased by 34% from 302 550 in 1998 to 406 143 in 2002, with a particularly fast growth in part-time enrolment.

To date, 95% of South Africans live within a 5-km radius of a health facility. From 1997 to 2006/07, access to primary



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healthcare, measured by visits, increased from 67 021 961 to 101 644 080. South Africa now has the largest number of people enrolled on antiretroviral therapy in the world.

The percentage of children under one year who complete their primary course of immunisation has been increasing at an annualised rate of 5% per year. Coverage is now 88%, within reach of the 90% target.

Severe malnutrition among children under five years old has declined, from 88 971 cases in 2001 to 28 165 in 2007. Malaria cases declined from over 50 000 in the late 1990s to about 5 000 in 2007. Government has declared tuberculosis (TB) a top national health priority – treatment success rates remain relatively stable at around 70%.

HIV prevalence among pregnant women who access public-sector antenatal care services has stabilised – there was a decline from 16% in 2004 to 13,5% in 2006 among women younger than 20 years.

From 1994 to 2008, 3 132 769 housing subsidies were approved, and 2 358 667 units were completed. This brought housing to 9,9 million citizens who could access state-subsidised housing opportunities, of which 53% were women.

Through the land restitution programme, assets worth R12,5 billion were transferred to 1,4 million beneficiaries between 1994 and 2007. The total agricultural land distributed thus far constitutes 2,3 million hectares and still requires further intervention ahead.

Social cohesion has assumed greater focus in the social sector since 2004, particularly since changes in family size and structure, migration and other recent social trends have helped enhance the challenges of reducing the growing number of people in depressed situations. A key factor in what seems an erosion of social cohesion is the persistence of income inequality as the benefits of democracy have accrued unevenly to different sectors of society.



## Economic Cluster

In the first few years of democracy, government focused extensively on creating stability in the economy and reintegrating with the international community. However, the *Ten-Year Review* in 2003 concluded that although great progress had been made, the “dynamic of economic inclusion and exclusion” posed a grave challenge and if allowed to persist “could precipitate a vicious cycle of decline in all spheres”. Government’s Medium Term Strategic Framework (MTSF) for 2004 – 2009 therefore makes growing the economy and promoting social inclusion the central priority.

The MTSF’s point of departure is that halving poverty and unemployment by 2014 requires growth averaging 5% a year till then. This means ratcheting growth to an average of 4,5% a year from 2004 to 2009 and 6% from 2010 to 2014. To overcome the constraints to faster growth, government launched AsgiSA, the Accelerated and Shared Growth Initiative for South Africa. It focuses on six key “binding constraints”:

- volatility and level of the currency (with focus on volatility)
- cost, efficiency and capacity of the national logistics system
- shortage of skilled labour, and the labour-cost effects of apartheid spatial patterns
- barriers to entry, limits on competition and limited new investment opportunities
- regulatory environment and burden on small and medium businesses
- deficiencies in state organisation, capacity and leadership.

Advancing towards government’s objectives has required critical interventions and special programmes and projects to improve infrastructure; skills; the environment for small business and the Second Economy; competition and industrial policy; and state capacity. These have been the focus of the economic sector since 2004.

After several years of increasing unemployment, peaking at 31,5% in 2001, faster gross domestic product (GDP) turned the trend as net new jobs started to outstrip growth in the labour force from 2002. However, the proportion of people either employed or



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seeking employment is 56,5%, lower than the 65% average in comparable countries.

Total public-sector debt has been managed down from 44% of GDP in 1994 to below 30% of GDP in 2008. The country now spends less in debt service costs, which has enabled government to increase spending on priorities such as health, education and the improvement of public services. Deficit reduction has been assisted by increased revenue receipts. Between 1996 and 2006, revenue collection quadrupled and the number of taxpayers more than doubled.

Monetary policy has been principally directed at influencing the quantity of money or the interest rate to achieve stable prices. From 1994, inflation averaged 6,3%. In 2000, government adopted inflation targeting as part of its policy to keep inflation within a band of 3% and 6%. From 2004 to 2007, inflation averaged 4,1% but has trended higher since 2006, when it reached the 6% level. For the most part, inflation since 2007 has been imported, driven above the target range by global fuel and food increases and amplified by a weakening exchange rate.

The rate of investment or gross fixed capital formation (GFCF) hovered around 15% – 16% of GDP for a long time due to low levels of government investment. A reversal of that trend came with the adoption of AsgiSA and an expansionary R482-billion infrastructure expenditure plan for the 2008 to 2011 period. In 2007, GFCF soared to 21% of GDP.

Levels of private-sector investment are much higher than in 1994 and 2004, and there is a positive pipeline of about R200 billion foreign and domestic investment.

South Africa embarked on a set of tariff and trade policy reforms in the mid-1990s. Multilateral liberalisation through the World Trade Organisation (WTO) was combined with efforts to modernise industry. Growth sectors like autos and tourism and cross-cutting sectors such as information and communications technology received special attention in the form of industrial development resources, including science and technology and human- resource development funds.





The Constitution provides for measures to overcome the consequences of apartheid discrimination against the majority. Black Economic Empowerment (BEE) is one of the measures promoted by government to surmount the disparities in wealth and income. The Broad-Based BEE Act was adopted in 2003 and the Codes of Good Practice gazetted in 2007.

Empowerment in the workplace and employment equity is growing steadily. Black representation in top management reached 22,2% in 2006 and 25,7% in all senior management positions.

Sector education and training authorities and other agencies like the National Skills Fund and programmes such as the Expanded Public Works Programme (EPWP) contribute to addressing the skills shortage and the plight of youth and the unemployed. In 2008, the EPWP created one million work opportunities – a target originally set for 2009. The Joint Initiative on Priority Skills Acquisition (Jipsa), launched in 2006 to fast-track skills development has had many achievements, including the registration and the placement of over 15 000 unemployed graduates in companies in South Africa and abroad.

Some 1,3 million households have access to land for farming, often small plots. Outputs are generally low, but the Integrated Food Security Strategy and some provincial programmes to boost returns from commercialising subsistence agriculture have shown steady improvements. A range of initiatives to link small-holders to agroprocessing value chains have been initiated in forestry, sugar and biofuels.

The increases in food prices in 2008 impacted particularly on the poor. Global factors suggest that this trend is likely to continue. In this context, South Africa took the stance of ensuring that biofuel production does not undermine food production. Ultimately, broadening access to land as well ensuring responsive and effective agricultural extension services are crucial to realising the potential of agriculture to address rural poverty and enhance the country's food security.

Government has since 1994 given attention to sustainable development and its mainstreaming. South Africa's hosting of the World Summit on Sustainable Development (WSSD) in 2002 gave



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impetus to the process. Government's 2006 *State of the Environment Report* provided a comprehensive analysis of the state of South Africa's natural resources and ecosystems.

Investment in research and development (R&D) had increased since 1994, reaching R14 billion or 0,92% of GDP during 2008. This puts the country on course to meet its R&D expenditure target of 1% of GDP.

### **Justice, Crime Prevention and Security (JCPS) Cluster**

Judicial transformation in democratic South Africa has had a number of aspects. South Africa's constitutional system changed from parliamentary sovereignty to supremacy of the Constitution, which redefined the independence of the judiciary. The role of the Judicial Services Commission in appointing judges constitutes a radical break with the past. By mid-2007, 52% of judges and magistrates were black (African, coloured or Indian) and 30% women.

From 1995, anti-crime efforts have been guided by the National Crime Prevention Strategy. Its elements include the National Crime Combating Strategy; the Integrated Justice System Programme; a Sexual Offences and Community Affairs Unit, focusing on crimes against women and children; until recently, the Directorate of Special Operations (DSO), and Asset Forfeiture Unit in the National Prosecuting Authority; a Financial Intelligence Centre focusing on organised crime; and a Victim-Empowerment Programme.

At the level of the courts, there has been some improvement in performance attributable to the Integrated Justice System. There are increased conviction rates in finalised cases, but the outstanding roll grew by 7% from 2002/03 to 2006/07.

From 1995 to 2007, the capacity of the prisons increased from 95 000 to 115 000, while the number of prisoners went from 111 000 (107% occupancy) to 161 000 (141% occupancy).

Partnerships between the police, community and business have resulted in initiatives such as the Community Policing Forum and Business Against Crime (BAC) to fight crime.



Community police forums were introduced on the premise that success in fighting crime depends on co-operation of the community with the South African Police Service (SAPS). Relations with organised business have progressed from the partnership with BAC – which, among other things, brought about major declines in street crime in targeted city centres – to the joint initiative with the Big Business Working Group to review and revamp the criminal justice system (CJS).

Also key to government is combating violent crimes against women and children. Sixty-three specialised courts dedicated to sexual offences have been established across the country. Thuthuzela Care Centres help prevent secondary trauma for victims of these crimes and also assist in improved conviction rates and speedy justice. Amendments to the Sexual Offences Act in 2007 and the Children's Act in 2008 have strengthened the legal weapons for fighting abuse. Specialised centralised units in the SAPS were established in 2007 to deal with family violence, child abuse and sexual assault.

Some of the crimes most prominently associated with organised crime decreased markedly from 2001 – such as bank robberies and truck hijacking. Cash-in-transit heists showed a marked decrease in 2007 from a peak in 2006.

The Organised Crime Unit dismantled 273 clandestine drug laboratories between 1994 and 2007, and neutralised 738 syndicates. Between 2002 and 2007, the DSO finalised about 1 300 investigations, initiated just over 1 000 prosecutions with an average conviction rate of 85%. The Asset Forfeiture Unit won forfeiture orders involving more than R115 million and frozen assets worth over R550 million.

Action to regulate ownership of legal firearms and reduce the number of illegal ones include a campaign to persuade people to voluntarily hand over firearms; destruction of redundant firearms in the SAPS' possession; an audit of firearms held by government departments; and operations to recover illegal firearms in high-crime areas. There were also joint operations with the Mozambican authorities to destroy weapons caches; and participation in the development of a United Nations (UN) Protocol against Illicit



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**Manufacturing and Trafficking in Firearms.** Stricter criteria are applied in the granting of civilian firearm licences. More comprehensive and stringent firearm-control legislation was promulgated in 2000 and introduced between 2000 and 2004.

The Truth and Reconciliation Commission, which was initiated by the democratic Government, helped to deal with the consequences of political violence and human-rights abuses under apartheid. Implementation of its decisions continues, among other things, in the form of payment of restitution; projects of reconstruction of most affected communities; and restoration of the dignity of communities and individuals with regard to place names, historical monuments and identification and reburial of those killed in instances of human-rights abuse.

Government has successfully dealt with manifestations of terrorism in South Africa, mainly in the form of urban and right-wing terrorism. It has played its part in combating international terrorism in a manner consistent with the tenets of the Constitution.

Control of the country's borders has become more co-ordinated with the establishment of the Border Control Operational Co-ordinating Committee, which includes the department of home affairs; intelligence; transport; public works; agriculture; health; and the South African National Defence Force (SANDF) and SAPS. Responsibilities of departments have been rationalised. Infrastructure at entry control points has been upgraded and technology modernised. Government has also entered into agreements with neighbouring and other countries.

Various courts and agencies already existed to deal with family and commercial matters – such as the divorce courts, maintenance courts and children's courts – and agencies that are fundamental to the working of the economy and the facilitation of trade and commercial activities, including the Land Registry. New courts have been introduced through legislation to promote development and equity, such as the equality courts, small claims courts and environmental courts. The Competitions Tribunal gives substance to the anti-competition policy.



In 2005, government initiated a comprehensive review of the CJS in conjunction with the Big Business Working Group. The proposals emerging from the two-year review were adopted by Cabinet in late 2007. These proposals include the need to prioritise building greater capacity of the JCPS departments; modernising technology (including the fast-tracking of existing initiatives); resources; and the ability to strategise, plan and work together in an integrated way rather than as separate components.

### **International Relations, Peace and Security (IRPS) Cluster**

South Africa has emerged from isolation through normalised diplomatic relations and is an active participant in regional and continental relations.

To help consolidate integration into the global arena, formal diplomatic representation has continued to grow. In 1994, there were only 65 South African foreign missions. By 2004, there were 105 South African missions in 91 countries; and by 2008, 121 missions in 105 countries. By 2007, government had accredited more than 160 countries and organisations resident in South Africa.

The many multilateral conferences and major international events hosted by South Africa also measure the country's integration into the community of nations. These include the Rugby World Cup (1995), the All Africa Games (1999), the WSSD (2002), the Cricket World Cup (2003), the inauguration of the Pan-African Parliament (PAP) (2006) and its successful bid to host the 2010 World Cup (awarded in 2004).

The regeneration of Africa is the main pillar of South Africa's foreign policy objectives. South Africa contributed to two tangible elements of African renaissance during the first decade. One was the transformation of the continental political architecture with the transition from the Organisation of African Unity to the African Union (AU); and another was the adoption of the New Partnership for Africa's Development (Nepad) as the socio-development blueprint for Africa and the framework for its engagement with the North and other international actors.



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The PAP, hosted by South Africa, has since its launch in 2005 been establishing itself as a voice of African citizens. The Economic, Social and Cultural Council was established in 2005 by an assembly of civil-society organisations convened by the AU Commission and has become a vehicle for unified positions from civil society on major issues. The African Commission for Human and People's Rights is in operation.

South Africa has helped operationalise AU peace and security structures, pre-eminently the AU Peace and Security Council (AUPSC). Apart from having been a member and chair of the council, South Africa was one of the main troop-contributors to the deployment of the first peacekeeping missions under AUPSC auspices. The country actively participated in the establishment of the Continental Early Warning System and the African Standby Force.

In 2007, South Africa voluntarily signed up for comprehensive scrutiny under the African Peer Review Mechanism (APRM) and was commended for 18 best practices, which other nations could emulate, including: co-operative governance, participatory governance practices, a consultative budget process and provision of basic needs. The report also raised critical issues for South Africa to consider, among them: inequality; poverty eradication; unemployment; crime; models of democracy; accountability of elected officials; race relations; and corruption. These issues are addressed in South Africa's comprehensive APRM Programme of Action.

South Africa has contributed to peaceful resolution of conflicts, drawing from the experience of its own negotiated settlement and has been one of the largest troop-contributors to African peace missions, in places such as the Democratic Republic of Congo (DRC), Burundi, Sudan and Ethiopia-Eritrea. It remains active in facilitating efforts towards peace and stability in Zimbabwe.

In recent years, South Africa's peace-making efforts have been supplemented by efforts to lay the basis for permanent stability and peace through economic reconstruction, nation-building and reconstitution of the State. Many government departments have contributed to this process in countries like the DRC, Sudan, Burundi and the Comoros.



On a regional level, the focus has shifted to developing policies to guide the Southern African Development Community's (SADC) integration agenda and to operationalising the many protocols adopted in the past decade. The Regional Indicative Strategic Development Plan harmonises many SADC policies, sector strategies and protocols into priorities to be implemented within clear timeframes.

At a continental level, South African investment and trade with African countries has increased dramatically since 1994. Africa is now South Africa's fourth-largest export destination. South African investments in southern Africa alone totalled R14,8 billion in 2001. Trade with the rest of Africa totalled about R50 billion that year and increased to R108 billion in 2007.

In building relations between Africa and other continents, South Africa has emphasised strategic partnerships that are of benefit not only to South Africa but also to the continent and its partners. Established in 2000, the Forum on China-Africa Co-operation held its first heads of states-level summit in Beijing in 2006. The aim of the forum is to strengthen economic co-operation. The India-Africa Forum had its first high-level meeting in April 2008. It will address areas of co-operation on regional and international issues, including climate change and a developmental approach to WTO negotiations. Economic relations between Africa and India have grown significantly with investments from India totalling some R10 billion in 2006. South African investment in India's transport, mining and technology sectors has been growing.

Japan hosted four meetings of TICAD (Tokyo International Conference on Africa's Development) between 1993 and 2008. In 2004, South Africa and Japan agreed to extend their relations to allow Japan to support African regional integration and Nepad and help Africa to access Asian markets. South Korea has created a Korea-Africa Forum, with a more economic bias. At the same time, negotiations are underway to strengthen economic relations between the SADC and Mercosur in Latin America.



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South Africa's agenda for South-South co-operation is informed by the broader objective to promote multilateralism in the interests of the developing world. The India-Brazil-South Africa Partnership emerged at the end of the First Decade of Freedom and has become a major influence in global politics and economic diplomacy.

The focus in the Non-Aligned Movement, which South Africa chaired for four years from 1998, has been on making it an effective machinery for the new South-South agenda. It has become effective in driving common positions at the United Nations (UN) where its several members of the Security Council have worked together on major global issues.

The G77 and China forum, established in 1994, has developed crucial common policy positions on a range of issues, mainly economic. When South Africa took the chair in 2006, it aimed with some success to harmonise positions that South countries take in other forums.

South Africa co-championed the New Africa-Asia Strategic Partnership from its establishment in 2005 as part of its commitment to the consolidation of South-South co-operation. It built on the strategic partnership between Africa and Asia at the dawn of independence initiated at the 1955 Bandung Conference.

The Government has consistently sought to transform North-South relations, particularly on security, the environment, debt relief, market access and terms of trade. South Africa has participated actively in the G8, Organisation for Economic Co-operation and Development, the African Partnership Forum and United Kingdom Commission for Africa with a view to build partnerships based on new values.

Since 2005, the relations with the European Union (EU) has intensified on three fronts: work on a joint EU-Africa Strategy, consultations to develop a Strategic Partnership with South Africa and negotiations on the economic partnership agreements between the EU and individual African countries.

Coupled with the emphasis on economic diplomacy, South Africa also resolved to improve international marketing of South





Africa and Africa and created a number of bodies to achieve this, including the International Investment Council, the International Advisory Council on Information and Communications Technology as well as the International Marketing Council.

There has been a sustained increase in tourist arrivals in South Africa. Foreign arrivals into South Africa were recorded at 5,73 million in 1998 and grew to 9,10 million in 2007. Cumulatively, this growth is estimated to have created over 400 000 jobs.

The hosting of the 2010 World Cup brings a communication opportunity of a lifetime for South Africa to market the country and, working with the rest of Africa, to improve the continent's image.

The promotion of international peace, security and stability has been a major theme of South Africa's international participation. The country embarked on a two-year tenure as a non-permanent member of the UN Security Council in 2007. South Africa consistently took a principled stance with regard to matters tabled in the Security Council, informed by commitment to multilateralism and the maintenance of international peace and security.

South Africa's hosting of the WSSD, and its ratification of multi-lateral environmental agreements enhanced its role as a player in global environmental governance. This has been sustained through its role as one of four developing country donors to the Global Environment Fund and as a donor to the UN Environmental Programme.

### **The way forward**

The foundation laid in the first decade and new initiatives since 2004 have enabled accelerated growth and development in South Africa. There are, however, still some challenges. The findings of the *15-Year Review* in 2008 spell out the areas that require attention for South Africa going forward. These include:

- speeding up growth and transforming the economy
- fighting poverty and building social cohesion
- international co-operation
- building an effective developmental state.



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Faster and shared growth is essential for reducing unemployment and poverty. Measures to overcome poverty are central to the comprehensive anti-poverty strategy that government is developing. Education has enormous potential to break the cycle of poverty. South Africa will also need to improve the country's productive capacity to ensure faster growth, absorb more labour, ensure competition, increase exports and ensure thriving conditions for small and micro-enterprises. There is also a need to develop second-economy programmes that have a mass impact.

There will be a need to take account of a shift in the cost of energy and to protect the environment.

Ensuring a harmonious society requires a reduction in inequality, through access to economic opportunities for all as well as sustaining pro-poor government spending. Social cohesion also requires improved service by the State, improved platforms for public participation and reduced crime and corruption.

Much work has been done to strengthen partnerships across the world, especially in Africa and the South. This needs to continue, still prioritising Africa and the countries of the South while maintaining relationships with industrialised countries. Strengthening strategic partnerships will help advance our national interests, and the deployment of our resources to advance African development.