



## **Chapter 3**

# **Overview**

### **Building a nation united in action for change**

Since the achievement of democracy in 1994, government has made steady progress in addressing apartheid's legacy of inequality and poverty. This has required the development and implementation of concrete programmes for expanding service delivery and eradicating the socio-economic disparities within South African society; for sustained economic growth in a competitive and volatile global setting; for the consolidation of democracy and a culture of human rights; and for South Africa to play its part to the full in promoting development, peace and democracy in the southern African region, the African continent and the world as a whole.

The achievement of these challenging goals requires, and in turn further promotes, the building of a united nation from a deeply divided South Africa.

This section of the *South Africa Yearbook* is a brief overview of government's Programme of Action for achieving these goals. Components of the Programme are detailed in the chapters dealing with departmental activities, which also provide further information about the progress that is being made.

Overall, the indicators point to steady progress across all fronts. Millions of people have gained access to services of which they were deprived under apartheid; macroeconomic stability has been achieved; South Africa's standing in the international community and in particular as a voice for dev-

elopment is acknowledged; two successful rounds of democratic elections have seen the consolidation of democracy and its extension to the local level, and step by step South Africans are uniting to help eradicate the legacy of racial division and inequality.

The Programme of Action announced by President Thabo Mbeki in his State of the Nation Address at the beginning of 2000 builds on the foundation laid in the first years of freedom. It marks out the path towards more effective and speedier implementation of the programme of transformation towards development, and an improved quality of life for all South Africans, especially the poor.

By informing the current Programme of Action with the call to build unity in action for change, the President reaffirmed the interdependence in South Africa's transformation of reconciliation and reconstruction, nation-building and development. The programmes of government are based on the understanding that there can be no sustained reconciliation if the material conditions of the poor and disadvantaged remain unaltered, and if the country continues to be divided into two worlds; a world of a rich and mostly white minority on the one hand, and the world of a poor and mostly black majority on the other.

The call for unity in action for change is also an affirmation of the importance, for lasting change, of a partnership for development of government and the people as active participants in improving their own lives. It extends to African unity and partnership of Africa and the industrialised world in pursuit of African recovery.

While significant progress was made in the first years of democratic government, it was also a period in which it was necessary to develop an enabling policy and legislative framework within which departmental programmes could be implemented. It was necessary to reorient the State machinery towards meeting the needs of the majority. With these things having been achieved, the emphasis in the current programme of action is to ensure greater efficiency in the implementation of policy and the delivery of services.

In this context, the emphasis falls on enhancing capacity and skills within government, and on moving away from a situation in which different departments each planned their own programmes in isolation from one another to a greater emphasis on integration between various components and departments of government, in both planning and implementation. Where houses are built, for instance, the integrated planning process ensures that other services such as electrification, sanitation, health services and transport are part of the delivery package to a specific community.

The programmes of the current period are therefore a continuation of the changes which began with the democratic political dispensation, strengthened by the early experience and given impetus by the achievements that have been made.

Informing all national and provincial departmental programmes are strategic priorities which define the national programme of action for achieving the goal of a better life for all South Africans, namely:

- building a nation united in action for change
- moving to a faster job-creating economic growth path
- investing in human resources
- more effective, integrated and efficient government
- rural development and urban renewal
- eradicating poverty and expanding access to social services
- fighting crime and corruption
- African recovery.

## **Moving to a faster job-creating economic growth path**

### **Macro-economic policy**

Since 1994, South Africa has enhanced its status as the most advanced economy on the African continent by consistently pursuing sound and prudent economic policies. While the country is rich in natural resources and has an economy which in many ways displays highly developed features, there still exist disparities in the control of wealth, joblessness and poverty, with serious implications for broader socio-political policy directions.

Economic policy is aimed at levels of sustained growth that will result in a lasting reduction in unemployment and poverty, and is underpinned by the macro-economic policy known as Growth, Employment and Redistribution (GEAR). It attempts to strike the necessary relationship between accelerating economic growth, on the one hand, and social service delivery and job creation, on the other. It emphasises economic stability as a prerequisite for pursuing micro-economic reforms aimed at fostering a faster job-creating economic path.

In the State of the Nation Address, President Mbeki summed up South Africa's economic objectives in the current period as follows:

*'The objectives we seek to achieve are moving the economy onto a high-growth path, increasing its competitiveness and efficiency, raising employment levels, and reducing poverty and persistent inequalities.'*<sup>1</sup>

The GEAR policy constitutes South Africa's main economic policy framework, combining the goals of deficit reduction, reprioritisation of government expenditure to enhance poverty reduction, and embarking on micro-economic reforms to enhance job creation. This paradigm determines the nature and character of programmes followed by various departments. Good governance as an important component of this framework guides all government departments in their respective projects.



The transition to democracy in 1994 has been accompanied by improved economic performance – sustained economic growth, significant capital inflows, a growing export sector, and improved business and consumer confidence. There has also been a consistent decline in inflation, reaching the target band of 3–6% in August and September 2001, and marked improvement in interest rates, with bonds yields touching historical lows on a downward trajectory, underpinned by a sharp reduction in the net open forward position.

Special attention is paid to supporting small, medium and micro-enterprises (SMMEs). Black economic empowerment is a focus in government's endeavours to promote growth and development. This principle drives initiatives, not just of the Department of Trade and Industry and the National Treasury, but also across all departmental and integrated initiatives.

Some improvement has been registered in the area of job creation. A report released by Statistics South Africa in July 2000 covering the period 1995 to 1999 indicated that by the end of the 1990s the unemployment rate had begun to stabilise after years of increase. Although still not outstripping the entry of new people into the labour market, the rate at which new jobs were being created was improving, with a gain of about one million jobs registered from 1996 to 1999. Data from the new Labour Force Survey suggests that employment losses in the older, formal sectors of the economy have been mitigated by employment gains in newer sectors of the economy, the informal sector and extensive outsourcing.

The South African economy recorded real economic growth during 2000 – as it has done since 1994 – mainly due to increases in real output by the secondary and tertiary sectors. The agricultural sector also saw strong performance in 2000 with an increase of 3,8%.

The impressive recovery in the South African economy from the global financial crisis of 1998 is indicative of a highly resilient

economy. By the fourth quarter of 1998 positive growth of real Gross Domestic Product (GDP) had been restored, output growth gained momentum, and a reduction of interest rates was registered, thus restoring international and domestic confidence in South African economic development. There has been a continuation of this trend, and the country is internationally respected for its maintenance of sound economic fundamentals.

Already, many economic indicators point towards further growth acceleration over the next few years. This recovery is a reflection of the sound economic fundamentals of the country. The inflation rate, which is seen as a key barometer of economic policy, has been in steady decline and is expected to decline even further despite temporary distortions caused by instability in oil prices. Government is confident that a lower-interest rate environment will pave the way for higher fixed investment spending.

## Industrial policy

The key industrial policies of South Africa centre around a commitment to fostering sustainable industrial development in areas affected more by poverty and unemployment. This is pursued through the Spatial Development Initiatives (SDIs) which focus on areas where socio-economic conditions require concentrated government intervention and where inherent economic potential exists. These programmes focus government's attention across the national, provincial and local government spheres with the goal of ensuring that investments are fast-tracked and maximum synergy between various types of investments is achieved.

While South Africa's approach to SDIs seeks to grow the economy and enhance job opportunities, it is guided by South Africa's commitment to the African Renaissance, including the reconstruction and development of South and southern Africa. The KwaZulu-Natal and Fish River SDIs, the Lubombo SDI and Wild Coast SDI, and the Maputo Development Corridor all

bear testimony to this commitment. In February 2001, the Coega Development Zone started its work. This project alone is expected to create 10 000 jobs during construction of the harbour and the industrial zone. The Special Economic Zone in the province of Gauteng aims to create employment as it focuses on high technology manufacturing, information technology and telecommunications.

In keeping with the macro-economic strategy, the budget deficit has declined from 4,6% of GDP in 1996/97 to 2,0% in 1999/00, and public-sector borrowing has been reduced from 9,2% of GDP in 1994 to 1,4% in 2000. Debt service costs have declined from 5,5% of the GDP in 1999/00, and are expected to be an estimated 4,4% in 2003/04.

### **Balance of payments and current account**

The impact of global developments is reflected in the current and financial accounts of the balance of payments. South Africa has fared better than most developing economies, primarily due to sound financial regulation and low external borrowing. A significant increase in South Africa's overall competitiveness lowered growth in imports and raised the volume of merchandise exports by 10% in 2000 and the first half of 2001, contributing to a surplus of 0,7% of GDP on the current account in the first half of 2000. Imports are likely to grow with the expected acceleration in economic activity and a more stable Rand.

Emerging market concerns and the possibility of recession in the United States (US), Europe and Japan during the first part of 2001 led to sharp reversals in capital flows and considerable currency volatility in many emerging markets. In South Africa, by contrast, non-residents continued to be substantial buyers of listed shares, although they were net sellers of bonds. On a net basis, South Africa's financial account experienced a small cumulative surplus of R1,6 billion in the first half of 2001.

### **Restructuring of State assets**

Government's programme of restructuring of various State assets is an integral part of the broader reconstruction and development of South African society, including the industrial strategy. It is envisaged that restructuring will improve the overall competitiveness of the country's economy both from a macro and a micro-economic perspective by lowering production input costs in the economy generally. By lowering costs to consumers it promotes wider access for consumers to affordable services.

The programme is not driven by ideology but is built up through case-by-case assessment in terms of the overall objectives. It includes both disposals of assets to focus on core business, and acquisitions or consolidation to strengthen capacity.

The former is expected to contribute substantially to debt reduction. An example of the latter is the planned creation by March 2002 of Petro SA, combining the State's oil and gas interests into a single company. On the Information Technology (IT) front, the IT capabilities of Denel, Transnet and Eskom were merged into a single entity called arivia.com, which started trading in January 2001. It is now the fourth-largest IT company in South Africa with an expected turnover for this year in excess of R1 billion.

Telkom like many other parastatals is involved in numerous projects aimed at job creation and business development through outsourcing and black economic empowerment.

Marked progress has been made in the restructuring of Eskom. In preparation for the need for additional energy in 2007, a regulatory framework for the introduction of independent power producers into the South Africa energy market is being developed.

Restructuring will serve to integrate the country's public, private and social capital and expertise to maximise South Africa's economic growth. Already this programme has yielded positive results in areas where it has been implemented, for example in the transport sector. The restructuring of Transnet has



led to the parastatal declaring a net profit (R780 million) for the first time in many years despite inheriting a liability of approximately R23 billion in 1994.

A National Framework Agreement establishes a framework for the restructuring process that was negotiated with organised labour. The programme addresses the fact that restructuring can bring pain for both industries and working people, and in each case the impact on industry and workers is examined in consultation with role-players. A Social Plan Agreement between government, labour and business sets out the processes to follow in the event of a large scale retrenchment with economic consequences. These include consultation, training and retraining, as well as the search for alternative employment including self-employment.

### **Addressing unemployment**

Unemployment remains one of South Africa's serious challenges. While unemployment increased from the mid-1970s, the job losses recorded in the 1990s resulted from the massive restructuring forced onto the manufacturing sector because of South Africa's entry into the global economy after years of isolation during the apartheid era. A concern of government has been the slow absorption of labour in the formal economy while the labour supply continues to grow.

Job creation is promoted by a number of measures: macro-economic, sectoral and programmatic. Recognition of these imperatives is repeated in government's macro-economic, industrial, labour market and development policies. It is a critical output of government's Integrated Action to Accelerate Growth, Employment and Investment adopted by Cabinet at the beginning of 2001.

In accordance with resolutions of the Job Summit held in October 1998, a Mining Sector Summit was held in February 2000 to develop a sector strategy for the mining industry to ensure job creation and job quality. Its Mining Beneficiation Strategy seeks to add value to exports and to increase employment levels. Its employment and human

resource development strategy seeks to ensure an investment in people for sustaining and enhancing existing jobs, and protecting vulnerable workers. During 2000, the mining industry directly contributed 6,5% to the GDP and an estimated 14% through associated multiplier effects. Due to the strong performance in the platinum group sector, there has been a reversal of the declining trend that was experienced in the early 1990s. In the same year, the mining industry contributed more than 8% to South Africa's gross fixed capital formation.

The Working for Water Programme, spearheaded by the Department of Water Affairs and Forestry, is a multidepartmental initiative which also involves the departments of Environmental Affairs and Tourism, and Agriculture. It is a labour-intensive initiative to deal with issues such as alien plant invasion since it affects water security. Its implementation has had a marked influence on employment opportunities, training and capacity-building, community empowerment, social development, and the creation of secondary industries.

The Cultural Industries Growth Strategy spearheaded by the Department of Arts, Culture, Science and Technology is aimed at enhancing the potential of South African cultural industries to contribute to job and wealth creation.

South Africa is a highly attractive tourist destination with a potential to compete with some of the best in the world. Tourism employs an estimated 7% of South Africa's workforce, and is regarded as potentially the largest provider of jobs and earner of foreign exchange. It is projected that in 2010 the South Africa tourism economy will employ more than 1,2 million people.

The agriculture policy seeks to create a sustainable agricultural sector. Primary agriculture contributes about 3,2% to GDP of South Africa and almost 9% of formal employment. During 2000, the seasonally adjusted real value added by the agriculture, forestry and fishing industry increased by 3,8%. Despite the farming industry's declining share of GDP,

it remains critical to South Africa's economy and development, and to the stability of the southern African region. The various sectors of the industry employ almost one million people. For the past five years agricultural exports have contributed on average approximately 8% (7% in 2000) of the total South African exports.

Over the past two years productivity has risen faster than real wages, setting the stage for employment increases in the medium-term.

### **The labour market**

Government is consolidating its programme of labour market reform, which saw the introduction of new legislation to more appropriately regulate a range of matters including collective bargaining, dispute resolution, skills development, employment services and unemployment insurance.

Government has sought to create a balance between workers' need for protection and employers' need for flexibility.

### **Infrastructure development**

Infrastructure development on a scale that is changing the face of the country is an integral part of South Africa's strategy to meet its developmental challenges. Since 1994 there has been substantial emphasis on re-establishing infrastructure investment to deal with inequalities in service provision and to re-orientate the economy towards regional and international trade.

Vehicles of this transformation include the SDIs, the Consolidated Municipal Infrastructure Programme, and the infrastructural investment programmes of parastatals such as Eskom and Telkom, as well as those of government departments.

Significant investments have been registered in areas such as energy and transport, roads, recapitalisation of taxis, and airports. Infrastructure investments have also been prioritised in the coming Medium-term Expenditure Framework (MTEF) period. The publication of a port policy by the Department of Transport for public comment before

finalisation will lay the basis for increased investment in port infrastructure.

### **Investing in human resources**

Sustained reduction of South Africa's legacy of socio-economic inequalities requires a strategic investment in the country's human capital. While much progress has been made in the provision of quality education through a relevant curriculum framework, there remain huge gaps in skills development.

The commitment to human resource development finds expression in the Constitution and in a range of legislation adopted since 1994, including: the Skills Development Act, 1998 (Act 97 of 1998); the South African Qualifications Act (SAQA), 1995 (Act 58 of 1995); the Employment Equity Act, 1998 (Act 55 of 1998); the South African Schools Act, 1996 (Act 64 of 1996); and the Skills Development Levies Act, 1999 (Act 9 of 1999).

SAQA, 1995 seeks to redress the unfair practices and inequalities of the past. It promotes training opportunities for sections of the population that were excluded on the basis of either race or sex. Both SAQA, 1995, and the Skills Development Act, 1999 seek to ensure a skilled and competent South African workforce responsive to the changing nature of the economy. The Employment Equity Act, 1998 aims to prohibit discrimination and promote affirmative action in the workplace.

Over and above such progressive legislation, government has developed a comprehensive Human Resource Development Strategy, launched in April 2001. It envisages an accelerated skills development programme that will *'maximise the potential of people in South Africa, through the acquisition of knowledge and skills, to work productively and competitively in order to achieve a rising quality of life for all, and to set in place an operational plan, together with the necessary institutional arrangements to achieve this.'*<sup>2</sup>

While the Strategy sets its targets over the next five to 10 years, it will at the outset ensure integrated human resource develop-



ment planning and implementation, and will be monitored on a national, regional and sectoral level. Its implementation involves all departments and spheres of government, and will serve to enhance economic growth and employment creation, improve the quality of life for all, broaden participation in the labour market, and produce a better-skilled citizenry.

The Department of Public Service and Administration in charge of State administration leads in the development of better ways of human resource management in the Public Service. It seeks a strategic and integrated approach to human resource development which incorporates employment equity, affirmative action and human resource development. The Department has set itself the task of raising the skills levels of managers in the Public Service and improving the performance of the State machinery in the next few years.

The departments of Education, Health and Labour have combined their efforts to deal with the challenge of human resource development. All other government departments have also adopted programmes to enhance and develop their skills base and that of the country in general.

The Skills Development Act, 1998 sets up new Sector Education and Training Authorities (SETAs) which are responsible for ensuring that all workers in each sector have relevant training. Among the more dynamic SETAs is the one in the tourism sector, identified as one of the country's strategic growth sectors, and where special efforts are being made to recruit and train large numbers of young people for employment or self-employment in the sector.

## More effective, integrated and efficient government

If government is to succeed in achieving its electoral mandate for the reconstruction and development of South African society, then it must also complete the transformation of the State from an oppressive instrument serving the interests of a minority into one that is people-centred and structured for integrated,

effective and efficient implementation of programmes and policies in the interests of all South Africans.

The Department of Public Service and Administration is the central point for the transformation of the Public Service to meet the challenges of the new State.

Major strides have been made in this regard. The first generation reforms of rationalisation and integration between 1992 and 1996, and the second-generation reforms of modernising the Public Service, are on course and yielding visible results. For the coming year government's efforts will be focused on consolidating the successes of rationalisation, intensifying the modernisation of public service systems, and continuing the quest for better-quality services.

Evaluation of earlier processes have assisted government to focus on specific areas of transformation of the State machinery and its management. There is now greater focus on improving coordination of the efforts to transform the Public Service and on improving the monitoring and evaluation of programmes of all spheres of government. There is now better coordination among central coordinating departments, in particular the Department of Public Service and Administration, Public Service Commission, National Treasury, Provincial and Local Government, and the Presidency.

Because the nature of the civil service and its coordination has a profound impact on the pace of delivery of improvement in people's living conditions, the re-engineering of government has been pursued as a high priority.

In order to give effect to the objective of integrated governance, the programmes of government's 23 departments are grouped in clusters dealing with similar sectoral challenges. Oversight of the clustered activities is provided by the Ministers who constitute the five Cabinet Clusters. These clusters are: Social Sector; Economy, Investment and Employment; International Relations, Peace and Security; Justice, Crime Prevention and Security; and Governance and Administra-

tion. They are in turn supported by corresponding clusters of Directors-General who work closely with the Policy Coordination and Advisory Services in the Presidency.

In addition, there are integrated programmes which cut across departments and clusters, in particular the Integrated Sustainable Rural Development Programme and the Urban Renewal Strategy.

The departments represent government's human capital, and together constitute the machinery for executing government's political mandate. The integrated manner in which programmes are pursued reflects the interconnectedness of the challenges which face the South African Government and society.

The recent introduction of a Planning Framework for government is designed to integrate and synchronise strategic and policy processes with the budget cycle. Supporting it are a number of efforts to enhance the monitoring and evaluation of government programmes, of a kind that goes beyond merely financial information to include social impact and outcomes, outputs against set targets, extent of equitable delivery and accessibility of services.

The rolling three-year MTEF is a critical tool for planning and aligning plans with the available budgets. The Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), which came into effect on 1 April 2000, requires all State departments to adhere to norms of strategic and transparent management and utilisation of State finances. The PFMA, 1999 also serves to strengthen the management capacity of the Public Service. It enhances managerial responsibility through decentralisation, while strengthening accountability for specified objectives and set targets.

The *Batho Pele – People First* – campaign is pursued to inculcate among public servants the spirit of people-centred quality service. It ensures that the notion of a 'caring government' finds expression in the manner in which public servants interact with the public, and that services are oriented to the needs of the people. Central to this campaign is the

inculcation of a culture of accountability to citizens. There is a focus on soliciting feedback. There will be an identification of services that can be made more accessible through partnerships with the private sector and other organs of the State. Greater use of information technology is a crucial element in the effort to enhance the quality and pace of service delivery. The accessibility of government services is being enhanced, by establishing call centres and one-stop-shops, amongst other initiatives.

The strengthening of the Presidency as a central point of political management is under way. The formerly separate offices of President and Deputy President have been brought together in an integrated Presidency. This enhances coordination in areas of policy analysis, decision-making, political management, and evaluation of government performance with regard to its strategic priorities and mandate.

Coordination at the centre of government has been enhanced through the co-operation of what are known as the coordinating departments, namely the Presidency, the National Treasury, Public Service and Administration, and Provincial and Local Government. They work together to ensure coordination and the State's ability to monitor performance and develop early warning systems with regard to risks and failures of government programmes.

Various steps have been taken to improve intergovernmental relations and co-operative governance. To do this there has been a concerted effort to strengthen the provincial and local spheres of government.

The new structure of local government, introduced in the country's first fully democratic and non-racial local government elections in December 2000, will be central to the coordinated implementation of government's programmes. The municipalities have been reduced in number but enlarged to increase their capacity to meet the needs of the people. The further strengthening of the capacity of local government is one of government's current priorities.



In order to ensure better service to the people, and to deal squarely with the poverty facing the most disadvantaged areas, local government structures are required to develop Integrated Development Plans (IDPs). Almost all the 284 municipalities had submitted IDPs by mid-2001.

The Department of Provincial and Local Government has been strengthened so that it can play its support role in coordinating the work of the municipalities and in monitoring and managing IDPs.

## Rural development and urban renewal

The Department of Provincial and Local Government is also responsible for the co-ordination required for the successful implementation of the Integrated Sustainable Rural Development Programme and the Urban Renewal Strategy

The Consolidated Municipal Infrastructure Programme has been established to mobilise and facilitate investment for rural and urban development initiatives. The Programme has so far facilitated investment totalling more than R3 billion. In line with government's commitment to rural and urban development, 47% of this investment was spent in rural areas and 53% in urban areas.

The implementation of the Rural Development and Urban Renewal programme will focus on nodal points to ensure sufficient concentration of coordinated efforts to make an impact and at the same time to act as points of leverage for development in further areas.

Thirteen rural nodes and eight urban nodes were announced by the President in the State of the Nation Address, and a further 17 were due to be announced by the end of 2001.

In order to accelerate development, government has set aside an additional R6 billion for the next three years for investment in economic infrastructure to support high-growth areas, and the integrated rural development and urban renewal programmes.

The Department of Land Affairs has revised its land reform programme to support rural development and help eradicate rural poverty and landlessness. The programme provides grants to disadvantaged people to access land for agricultural purposes. The programme's strategic objectives include facilitating the transfer of 30% of the country's agricultural land over 15 years, improving the nutrition and income of the rural poor intending to farm, and expanding opportunities for women and youth who stay in rural areas. The Department's Land Redistribution Programme seeks to provide previously disadvantaged citizens with access to land for residential and productive purposes. It is intended to assist the poor, labour tenants, farm workers, women, emergent farmers and commercial farmers. Substantial progress is being registered in this area.

## Eradicating poverty and broadening access to social services

Eradicating apartheid's legacy of poverty and inequality requires also a targeted programme of action focused on the social upliftment of especially the most disadvantaged in South African society. It combines direct poverty alleviation programmes with the broadening of access to social services and infrastructure: housing, electrification, social development, health, education, water, telecommunications, sport and recreational facilities.

## Alleviating poverty and extending services

The eradication of poverty is fundamental to the restoration of the dignity of the majority of South Africa's people and a better life for all the citizens. All government departments in their respective delivery areas execute their tasks with this objective as one of their central points of reference.

The priorities identified by the Department of Social Development include the development and implementation of an integrated

poverty eradication strategy that provides direct benefits for those who are in need, within a sustainable development approach. It prioritises the most vulnerable households. The manner in which poverty relief is pursued emphasizes people's participation in developing sustainable solutions to poverty.

The budget allocation for the payment of social assistance by the provincial departments of social development was R18, 798 billion in 2000/01. The Poverty Relief Programme for the 10 social development departments (one national and nine provincial departments) is funded through a special allocation from the Poverty Relief, Infrastructure and Job Creation Funds from the National Treasury. It has been established to assist communities involved in development projects.

About R130 million has been committed towards tourism development projects aimed at alleviating poverty and creating jobs in South Africa.

Housing problems are mainly a result of skewed land ownership patterns and unemployment. Government policy takes into account that home ownership is affected by the fact that most people have no access to finance. Since the launch of the *White Paper on Housing* in December 1994, housing delivery has undergone substantial changes. More than a million housing opportunities have been created, providing more than five million poor people with secure tenure and safe homes.

By December 2000, some 1 129 612 houses were completed or were under construction under government's subsidised housing programme, under which 1 323 205 subsidies had been allocated. In 2000 alone, 58 914 (41%) of the total subsidies allocated were given to female-headed families or households. In general, the poverty eradication strategies of government take into account that women are the most gravely affected by poverty.

The Housing Strategy of 2000 is another recent effort to promote equitable access to housing opportunities for poor and previously disadvantaged persons, including the

restructuring of land release and development to relieve urbanisation pressures, a balance in urban and rural development, and the countering of housing fraud. It also facilitates urban renewal, especially in inner cities.

The impact of government's programmes for broadening access to services is reflected in the report published in July 2001 by Statistics South Africa, based on Household Surveys between 1995 and 1999.

The proportion of households having access to clean water rose from 78,5% in 1995 to 83,4% in 1999. This was largely due to the Community Water Supply Programme which by October 2001 had brought access to clean water to over seven million mainly rural people who had previously lacked it.

As a result of over 2,5 million connections to the electricity grid, the proportion of households with access to electricity increased from 63,5% in 1995 to 69,8% in 1999.

In mid-2001, government began the phased implementation, through the new local government structures, of a policy of providing free basic services to the poor – 6 000 litres of water and 50 kWh of electricity per month.

The sanitation programme, which had got off to a slow start, was accelerated during 2001 in order to ensure that communities are in a better position to deal with such public health issues as cholera which affected especially KwaZulu-Natal. The *White Paper on Sanitation Strategy* adopted in mid-2001 reflected an integrated effort of the interdepartmental task team. Urban housing and local government programmes have provided an estimated four million people with improved sanitation infrastructure.

## **Educating the nation**

Various changes have been made in the education system to bring greater access and equality in education, though there is still some way to go in eradicating the historical imbalances. The system teaches almost a third of the total population at any one time and employs a large number of civil servants.



The *Tirisano* campaign launched in 1999 by Minister Kader Asmal is proceeding with great success. Its five programmes, reflecting the integration of government programmes, are concerned with: school effectiveness and educator professionalism, Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS), literacy, further and higher education, and organisational effectiveness of the national and provincial departments.

The process of curriculum reform, known as Curriculum 2005, has been streamlined to be user friendly and accessible to the teachers and other stakeholders in the education community. Progress is being made in fostering the culture of learning and teaching in South African schools, though more work still needs to be done.

### **Improving the nation's health**

The Government takes a comprehensive approach to the health challenges facing South Africa, to ensure an effective response to all infectious diseases and an effective impact on the general health of the nation.

There is a commitment to providing basic health care as a fundamental right, and government's health policy seeks to provide health care that is affordable and accessible to all. One central component of the national health care plan is the provision of free health services at public Primary Health Care (PHC) facilities such as clinics and community health care centres.

The Department of Health's strategic framework, published in 1999, guides government in tackling health issues in the next five years. Some of its main areas of focus are the following:

- improving the quality of care
- revitalisation of public hospitals
- further implementation of district health system and the PHC
- a decrease in the incidence of HIV/AIDS, sexually transmitted diseases (STDs) and tuberculosis
- resource mobilisation and allocation.

A five-year 'HIV/AIDS/STD strategic plan for

South Africa 2000–2005' is the basis of a comprehensive government campaign to combat HIV/AIDS. Government has mobilised substantial resources for this many-sided effort which is beginning to make an impact. The three-year MTEF budget allocates increasing resources to the campaign.

Central to the campaign, which places special emphasis on prevention and awareness alongside care and treatment, is the Partnership Against AIDS in which representatives of all sectors of society are joined with government, and which is now embodied in the South African National Council Against AIDS.

The third anniversary of the Partnership was marked in October 2001, at a time when government's campaign was changing into a new gear, that included:

- introduction of awareness programmes at primary school level
- an increase to R40 million on funding by the national Health Department for NGOs working on HIV/AIDS
- the rolling out of the home-based care approach in all nine provinces
- fast-tracking of grants to orphans
- the establishment of trial sites for the administration of Nevirapine as part of government efforts to reduce mother-to-child transmission
- continuing government support for vaccine development
- an expanded awareness campaign – which research shows has already achieved over 90% awareness – to promote healthier behaviour, care and support, openness and acceptance.

### **Fighting crime and corruption**

Government prioritises safety and security as a fundamental right of citizens. The National Crime Prevention Strategy is the framework for South Africa's fight against crime: domestic and transnational. The Strategy focuses on areas with high levels of crime, organised crime syndicates, urban terrorism, cor-

ruption, crimes against women and children, transnational/cross-border crimes, and social crime prevention.

Through its Crime Prevention and Justice Cluster, government seeks to achieve a sustainable relationship between crime prevention and law enforcement. The collaboration between the departments of Safety and Security, Justice and Constitutional Development, Correctional Services, Defence and the National Directorate of Prosecutions is aimed at ensuring that the prevention and combatting of crime are tackled in an efficient, effective and holistic manner. It also ensures that a more accessible and effective Criminal Justice System is matched with medium- to long-term investments in initiatives to deal with the root causes of crime in society.

Since its establishment in 1998, the National Prosecuting Authority has stamped its presence on South African society as an effective crime buster. It unified the prosecution service under the umbrella of the National Directorate of Prosecutions which has achieved significant success in reducing the backlog of cases that had been delayed due to lack of capacity. It has contributed to impressive breakthroughs in the fight against organised crime, whether in the commercial field, drug-dealing, urban terrorism, or taxi-related violence.

All the components of the Department of Safety and Security have been strengthened through capacity-building and their co-ordination improved, including the detective services, intelligence academy, management, and crime prevention to ensure the success of the country's Crime Prevention Strategy.

Several agencies have been established to combat corruption or maladministration specifically. They include the Public Protector, the Office for Serious Economic Offences, the Auditor-General and the Special Investigation Unit. It was announced in July 2001 that government would introduce new regulations to guide officials involved in the negotiation of large contracts.

The Department of Social Development has played a significant advocacy role in the

area of crime prevention, with programmes designed to deal both with root causes and manifestations of crime. Examples of crime prevention through social development are the Poverty Alleviation Fund, early childhood development programmes, family preservation, economic empowerment programmes, youth development programmes, substance abuse programmes, child protection awareness programmes and the Victim Empowerment Programme.

## **African recovery**

While South Africa seeks to deal with its domestic challenges, it remains involved in matters relating to the development of Africa, the southern African region and the world, recognising that no country can solve its own problems or achieve lasting prosperity in isolation.

The country's international relations policy takes into account the advent of globalisation as a force for the greater integration of national systems of production and the structure of global finance. It engages with the world mindful of the unevenness of the effects of globalisation within and between nations, and with the intention of reducing the polarisation that may result from this phenomenon.

The foreign policy of South Africa reflects the principles which guide its own domestic developments. These policy objectives are the promotion of democracy and respect for human rights, prevention of conflict, the promotion of peaceful resolution of disputes, and the advancement of sustainable development and poverty alleviation. South Africa's own domestic challenges are inextricably bound to these foreign policy values, as they are pivotal and integral to the achievement and realisation of the country's national goals.

Government is firmly convinced of the need for African recovery, as a prerequisite for the reconstruction and development of our own country. South Africa's commitment to doing whatever it can within its capacity to



promote this is reflected in its efforts around the development of the New Partnership for Africa's Development (NEPAD) formerly known as New African Initiative/Millennium Africa Recovery Plan (MAP), and in the mobilisation of support within the industrialised world for a partnership for African recovery.

The principles of this project were emphasised by President Mbeki at the World Economic Forum's meeting in Davos, Switzerland in January 2001:

*'The MAP programme is a declaration of a firm commitment by African leaders to take ownership and responsibility for the sustainable economic development of the continent. Our standing point is a critical examination of Africa's post-independence experience and acceptance that things have to be done differently to achieve meaningful socio-economic progress, without which it would not be easy to achieve our historic task of improving the lives of people.'*<sup>3</sup>

South Africa is proud to have been chosen to host the first meeting, in 2002, of the African Union which replaced the Organisation of African Unity in July 2001.

Government's vision for the southern African region involves the highest possible degree of economic co-operation, mutual assistance, and joint planning consistent with socio-economic, environmental and political realities. South Africa strives to achieve regional economic development through the Southern African Development Community (SADC), a structure that seeks to promote conditions for regional peace and security, sectoral co-operation and an integrated regional economy. South Africa is a proud member of SADC, and its foreign policy, with regard to the region, reflects a commitment to close diplomatic, economic and security co-operation and integration, adherence to human rights, the promotion of democracy, and the preservation of regional solidarity, peace and stability.

South Africa has participated in efforts to promote peace in Angola, the Democratic Republic of the Congo, Lesotho and Burundi, and is committed to building peace in the

region. The Government is committed to assisting Zimbabwe to find a lasting solution in the interests of all Zimbabweans to the problems it is facing.

Development co-operation with countries in Africa is integral to South Africa's foreign policy. Technical and financial assistance, with a view to capacity-building, especially to SADC countries, is regarded as a major instrument for promoting economic development, peace and stability, democracy and the African Renaissance on a regional scale. The International Telecommunications Union's Africa Telecoms 2001 was hosted by South Africa in November 2001. It will also host the World Summit on Sustainable Development in September 2002.

Mindful of how globalisation is affecting nations, politics and trade, South Africa engages with the world in order, like all countries of the South, to influence its impact in a way that maximises the benefits and minimises the negative effects.

South Africa therefore participates in international trade agreements and co-operates with countries of the entire globe to create a better world.

South Africa's commitment to playing its part in working for a better world is reflected in the role it has been accorded in recent international and multilateral developments. That included the recent successful hosting of the United Nations World Conference Against Racism, in Durban, held for the first time on the African continent.

The South African Government joined the international community in condemning the September 11 attacks on the World Trade Centre in New York, and the Pentagon in Washington, United States.

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#### References:

- 1 Mbeki: State of the Nation Address; Cape Town, 9 February 2001.
- 2 HRD Strategy Document: 2001.
- 3 Mbeki: World Economic Forum: Davos: January 2001.