

bridging the gap in the quality of life between rich and poor in areas such as housing, electricity provision, healthcare delivery and education infrastructure. South Africa has also performed commendably in other development goals such as HIV/AIDS and tuberculosis control, infant/maternal mortality and gross basic school enrolment rates.

Social grants reduced poverty by 45% for the lower poverty line from 1993 to 2013. As per the food poverty measure, poverty levels declined from 33% in 1993 to 25% in 2013. In terms of cost to the budget, social assistance in South Africa currently amounts to R120 billion, representing 3.4% of GDP. Social insurance schemes have also been reformed, establishing an unemployment insurance fund (UIF). The UIF now covers previously excluded groups such as domestic workers, seasonal farm workers and other categories that were not included in social assistance schemes.

However, the construction of the Gini index does not capture the impact of these interventions on income inequality in South Africa. The limitations of the index as previously discussed imply that its measure and ranking of a country must be taken subjectively and in exclusion of absolute income gains, mobility between income classes, differences in the income distribution of countries, differences in tax regimes and its impact on household disposable income, demographic changes, improvements in development outcomes and other government interventions that actually reduce household poverty.

If the Gini index was capable of capturing the impact of all these positive developments in South Africa and the other factors previously highlighted, South Africa's current income inequality index and international ranking could have been much better. ■

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NAVIGATING THE GOVERNMENT'S DEVELOPMENT PATH

The challenge for South Africa lies in its ability to translate its plethora of development plans into implementable programmes and projects that culminate in the achievement of set goals and objectives within the designated timeframes. *Mimi Ndokweni et al* indicate why implementing the most recent of these, the National Development Plan, will remain a struggle.

The main objectives of successive governments since the onset of democracy have been to create jobs, reduce poverty and bridge income inequality. These objectives have translated into several development programmes aimed at ensuring high and sustainable economic growth, an equitable distribution of the gains from growth, and bridging the gap between rich and poor through social safety nets and efficient service delivery.

These development programmes include the Reconstruction and Development Programmes (RDP) of the early 1990s; the Growth, Employment and Redistribution (GEAR) strategy in 1996; the Accelerated and Shared Growth Initiative for South Africa (ASGISA) in 2005; The National Industrial Policy Framework out of which emerged the Industrial Policy Action Plan (IPAP) in 2007 and the New Growth Path (NGP) in 2010.

All of these programmes met with a measure of success (and some obstacles), and were eventually overtaken by the National Development Plan (NDP) – Vision 2030, South Africa's long-term socioeconomic development roadmap.

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The National Development Plan

This policy has been adopted as the cornerstone and blueprint for a future socioeconomic development strategy for South Africa.

The NDP defines a desired destination and identifies the role different sectors of society need to play in reaching that destination, serving four broad objectives: providing overarching goals for what the country wants to achieve by 2030; building consensus on the key obstacles to achieving these goals and what needs to be done to overcome those obstacles; providing a shared long-term strategic framework to advance the plan's long-term goals; and laying the foundation of how best to use limited resources.

South Africa's Gini index, unemployment rate and poverty rates are worse off than the 1996 levels.

The high-level objectives to be achieved by 2030 include reducing the number of people living in households with a monthly income less than R419 per person (using 2009 prices) from 39% to zero, and reducing inequality as measured by the Gini coefficient from 0.69 to 0.6.

The core elements of a decent standard of living are housing, water, electricity and sanitation; safe and reliable public transport; quality education and skills development; safety and security; quality healthcare; social protection; employment; recreation and leisure; a clean environment and adequate nutrition.

To realise these goals, the plan draws on the energies of the country's people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

Although the NDP was well received by the broader society, there was also strong criticism from some quarters as to what was not in the plan.

What is missing from the NDP?

The loudest criticism came from the Congress of South African Trade Unions (COSATU), which alleged that the NDP did not address the real problems around unemployment because it was silent on industrialisation. It said that for the government to generate decent jobs, it had to revamp the manufacturing sector, which would generate the right mix of decent jobs in the economy and complement the services sector.

Instead of industrialisation, the NDP puts more emphasis on small- and medium-scale enterprises in the services sector as the main drivers of future economic growth, perpetuating the tradition of unskilled low-wage labour in the country.

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The NDP is lenient on reducing income inequality in South Africa; it proposes a reduction of only 0.1% in the Gini coefficient by 2030, raising questions about the government's commitment to reducing income inequality. Furthermore, looking at what little progress has been made after 20 years of democracy, there is a general sense of scepticism as to whether the lofty goals of the NDP can be achieved 16 years from now, by 2030. South Africa's Gini index, unemployment rate and poverty rates are currently worse off than the 1996 levels, as illustrated in Table 1.

Table 1: Trends in key macroeconomic indicators over the last 20 years

Indicator	1996	2004	2013
Unemployment	20.6%	27.7%	25.0%
Gini coefficient	0.60	0.67	0.62
Poverty rate	40.2%	48.3%	42.1%
GDP growth	4.30%	4.60%	1.90%

Source: Global Insight and World Bank

Challenges to its successful implementation

South Africa, like many of its African neighbours, does not lack the capacity to formulate policy, as demonstrated by the NDP. The challenge lies in its ability to translate these policies into implementable programmes and projects along the different tiers of government – provinces, municipalities and local government – culminating in achieving the set goals and objectives within the designated timeframes.

The three key areas South Africa as a country has always struggled with – and which are essential in building a capable, developmental and democratic state as stipulated in the NDP – are the ability to implement policy, enforce legislation and deliver services.

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South Africa would struggle with a straightforward implementation plan for the NDP because contestation is inherent in democratic institutions. Thus, the better the quality of political institutions, the more demanding the political debate over the modus operandi, the more divergent the expectations of the different stakeholders, and the more difficult to achieve convergence and implementation in a commonly agreed direction.

Furthermore, the successful implementation of the NDP would largely depend on the quality of South Africa's human capacity at the provincial, municipal and local government levels. Is there sufficient capacity at these levels of government to adequately align the policies of the NDP with their respective integrated development plans (IDPs)?

Closely related to this are issues of accountability and transparency at these lower tiers of government, which is the focus of Chapter 15 of the NDP, namely the role of civil society in partnering with the government to ensure the successful implementation of the NDP. What shape or form this role would take and what would be the mechanisms for redress are additional issues to be addressed.

Conclusion

Significant effort must be put into translating the lofty ideals of the NDP into practical, implementable programmes and projects that are well aligned with the IDPs of local government. It is imperative that the right oversight structures are in place, such as monitoring and evaluation (M&E) frameworks to ensure optimum enforcement, transparency and accountability at all levels.

Multiple stakeholders are crucial in realising the successful implementation of the plan. It would be useful

to employ already existing structures established by civil society to see where synergies could be leveraged with government structures for cordial, productive and proactive engagement and discourse. This would mitigate the usually violent approach by communities to register displeasure with the government.

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The NDP also proposes the establishment of a government school to train the public sector to enhance capacity in the requisite areas. This is a step in the right direction aimed at addressing the capacity shortfalls of the public sector. The school would also be a platform for government to leverage the enormous expertise in South Africa's universities. Finally, the assistance of South Africa's development partners, aside from funding, should be maximised while learning from international best practices. ■

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