

SOCIAL TRANSFORMATION

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DRAFT DISCUSSION DOCUMENT ON SOCIAL TRANSFORMATION: TOWARDS THE 4TH NATIONAL GENERAL COUNCIL (NGC)

1. INTRODUCTION

As a liberation movement and political party, the strategic stance of the African National Congress (ANC) has historically been anchored on the needs of South Africa's poor and vulnerable people.

As a political party in charge of government, the 53rd Conference of the ANC reaffirmed the visions of A. B. Xuma, Albert Luthuli and OR Tambo of a democratic government imbued with the values of solidarity as it sought to advance the goal of the ANC as articulated in the Strategy and Tactics of 2007 which states that, **"our strategies for social transformation must seek to empower people to lift themselves out of poverty while creating adequate social nets to protect the most vulnerable in our society."**

Under the theme *"Unity in action towards socio-economic freedom,"* the 53rd National Conference at Mangaung reaffirmed our commitment to the vision of the Freedom Charter to build a National Democratic Society wherein, *"South Africa Belongs to all who live in it Black and White...that only a democratic state, based on the will of the people can secure to all their birth right without distinction or colour, race, sex or belief"*.

The conference noted that, *we are conscious that these rights will be meaningless without the fundamental transformation of the economy to serve the interests of the people and far-reaching transformation in the areas of land distribution, housing, education, health, water and sanitation and social security.*

In responding to these challenges, it observed that,

we are boldly entering the second phase of the transition from apartheid colonialism to a national democratic society. This phase will be characterised by decisive action to effect economic transformation and democratic consolidation, critical both to improve the quality of life of all South Africans and to promote nation-building and social cohesion.

Noting that the structural legacy of social and economic inequality transferred apartheid ownership and settlement patterns to a market that continues to favour a minority and is biased toward capital, the Conference included resolutions towards bold state interventions in the acceleration of decent job creation and sustainable livelihoods as well as land and agricultural reforms.

The 2014 Manifesto of the ANC therefore reflects on progress it has made in line with its goals of building a more equal society and what we need to do over the next 5 years to give life to our historical goals of a socially and economically inclusive South Africa. Guided by sections of the National Development Plan (NDP) 2030, the ANC Manifesto calls for the implementation of a broad and inclusive social protection system as we seek to alleviate poverty and eradicate inequality.

The NDP recognises that the democratic government has achieved significant milestones over its two decades of administration, which include the implementation of a comprehensive social protection system and the establishment of minimum standards linked to a social wage and the elimination of racial inequities. However, challenges remain. Because the long-range mission of our movement demonstrates a

continuum of historical inequalities since 1994, there are specific priorities in the period since the 53rd Conference that require more direct engagement with the strategic challenges ranged before us.

Specifically, current fiscal constraints and downward adjustments to the growth rate mean going beyond reliance on the State to relieve poverty and address inequality and economic exclusion through social grants and social services. It also means introducing more sustainable measures to radically transform systems of production and ownership so as to create employment opportunities on a large scale and increase the economic power of the poor and vulnerable.

This discussion document will therefore outline the key elements of the social protection system introduced or expanded since the advent of democracy and discuss the areas that need to be taken forward over the next 30 years to build an inclusive society. We recognise that these efforts cannot bear fruit if carried out by government and the ANC alone. Based on this reality, we therefore commit ourselves to building strong partnerships with community organisations and social movements, trade unions, religious bodies, business organisations, women and youth structures as well as other organisations to ensure that, in actual practice, South Africans – black and white – act as their own liberators.

The aim of this discussion document is to review progress towards the implementation of policy decisions taken at the 53rd National Conference in 2012. As such, the analysis here helps crystallise ANC policy resolutions on social transformation and provides a platform for more in-depth engagement with the challenges and opportunities facing our movement aimed at ensuring that we move with speed in implementing our agenda for radical social and economic transformation. The specific goals over the next 5 years will be clearly outlined as part of a proposed programme of action for the next term of government.

Part 1 of this discussion document provides an overview of the **Policy Context of Resolutions** taken at the 53rd National Conference as we seek to implement our programme of radical social and economic transformation. The economic and social context helps us understand the balance of forces in society, as well as potential obstacles and opportunities towards implementing our agenda of radical social and

economic transformation. Part 2 reflects on progress since the 53rd National Conference in 2012 towards the implementation of resolutions and the context in which we seek to build a national democratic society.

PART 1: POLICY CONTEXT OF THE 4TH NGC

The foundation of our movement's programmes and policy interventions is ANC Conference Resolutions, which are generally guided by the ANC's *Strategy and Tactics*, along with the *ANC Constitution* and the *Freedom Charter*, and derive from the overriding national imperative of transforming the economy and eradicating racial inequality and poverty. The ANC Constitution sets out the mission and character of the ANC, how the organisation functions, how we relate to each other, the rights and duties of members, how decisions are taken, and how structures at all levels should work. The Freedom Charter is our vision for the society we seek to build from which our goals and all other policies and actions derive.

The ultimate goal of our movement is articulated in *Strategy and Tactics* as "the creation of a united, democratic, non-racial, non-sexist and prosperous South Africa." Our tasks are elaborated as eliminating the three interrelated contradictions and legacies of "(a) national oppression based on race; (b) super-exploitation of black workers; and (c) the triple oppression of women based on their race, class and gender."

To give effect to our goal of social and economic transformation, resolutions taken at the 53rd National Conference of the ANC refer to our strategy and tactics – our programmes and means (in response to the balance of forces) – by which we pursue our vision and goals over time.

To successfully pursue our vision and goals between conferences, the NGC assesses progress made in, and recommends actions towards overcoming obstacles to, implementing resolutions of the National Conference. The 4th National General Council is held nearly two years after the 53rd National Conference at Mangaung in December 2012. During this period, a number of critical developments have posed challenges to the implementation of our policies as part of our ongoing assessment of the balance of forces and the domestic and global conditions in which we carry out the programme set out in *Strategy and Tactics*.

This discussion on the balance of forces is ongoing, raising issues and posing questions, with a view to provide a backdrop to the reviews we will be conducting at the NGC. What follows is an overview of the context in which our policies and programmes are framed, followed by progress made in implementing resolutions taken at Mangaung.

2. ANC STRATEGY AND TACTICS

Drawing on strategy and tactics adopted at the 52nd National Conference in Polokwane (2007), which recognised that we were already emerging out of the 1st phase of transition, Strategy and Tactics 2012 noted that although we are still in a transition, the task is no longer simply to consolidate and expand the hold of the democratic forces on levers of state power, but to decisively tackle the task of building a National Democratic Society.

Consistent with this challenge, Strategy and Tactics confirmed the strategic approach of the 52nd National Conference as encapsulating the transition to a National Democratic Society and re-affirmed the centrality of the Freedom Charter as our lodestar. Consistent with this characterisation of the present phase, the document noted that the socio-economic character of the National Democratic Society is based on the resolution of historical injustices and building a democracy with social content, which includes:

- *"A political and socioeconomic system which places the needs of the poor and social issues such as health care, education, basic services and a social security floor at the top of the national agenda;*
- *Accelerated growth and development in a mixed economy which includes state and private capital as well as co-operative, worker-based, community and other forms of social ownership of the means of production;*
- *An active developmental and leadership role of the state in the economy and the pursuit of full employment;*
- *A democratic developmental state that leads accelerated and sustainable change through interactive, intensive and sustainable transformation of the structural causes of economic exclusion and social underdevelopment, including the spatial imbalances inherited from the apartheid era;*
- *The quest for equality and protection of the human dignity of all;*

- *Sustainable utilisation of natural endowments and the protection and regeneration of the environment as an inheritance of current and future generations; and*
- *Strong partnership with the trade union movement and other mass and sectoral formations."*

In a nutshell, engagement with these challenges relates to the overriding challenge of overcoming the economic and social status of the majority of poor, mainly black citizens and their differential inclusion in the post-liberation order in which the deeper structural features of race-based inequality have as yet not been completely dismantled.

3. THE 2ND PHASE OF THE TRANSITION TOWARDS RADICAL ECONOMIC TRANSFORMATION

The outcomes of the 53rd National Conference were therefore informed by the fact that this phase of the transition requires that we embark on a programme of radical social and economic transformation, which includes the promotion of social cohesion as the main focus of poverty alleviation interventions.

This decision was based on the fact that priorities from the ANC's 2009 election manifesto still remained, including creating decent work and sustainable livelihoods, education, health, rural development, food security and land reform, as well as the fight against crime and corruption. Whilst we noted that over the past eighteen years we have made significant progress in fighting poverty and building a national democratic society, much more is required to radically transform the economy, education, health, delivery of social services and build a socially inclusive South African society.

The interventions required to speed up change, especially with regard to economic and social transformation, can be understood as marking a second phase of the transition to a National Democratic Society characterised by a concerted drive to effect thorough-going economic transformation to eradicate poverty and to reduce inequality. As noted in Strategy and Tactics, *"The primary focus in this regard should be higher rates of economic growth and social inclusion, reflected primarily in massive job creation skills development, the provision of quality public goods and services and the expansion of small, medium enterprises*

and cooperatives. This requires deliberate efforts, among others, to build infrastructure, diversify the industrial base, expand employment opportunities, to develop a national system of innovation to grow our knowledge-based sectors, intensify programmes to ensure environmental sustainability, develop human resources, and implement urgent programmes to eliminate youth and women marginalisation."

The policy resolution on the 2nd phase of the transition also notes that programmes to extend access to land as an asset and resource for economic activity and sustainable livelihoods, and basic services such as education, health, water, electricity, sanitation and housing should be intensified. While universal access should receive urgent attention, emphasis in this phase should also be placed on the quality of these services. Social grants should reach all who are eligible; and decisive measures should be taken to provide sustainable livelihoods.

4. THE NATIONAL DEVELOPMENT PLAN: VISION 2030

At a macro-economic policy level, the 53rd National Conference embraced Vision 2030 and the NDP *"as a critical basis for united action by all South Africans to build a truly united, non-racial, non-sexist, democratic and prosperous society,"* noting that *"in many respects, the National Development Plan accords with the objectives of the ANC and its own elaboration of the second phase of the transition to a National Democratic Society."*

In broad terms, the NDP emphasizes five key dimensions of a more holistic approach to a developmental policy framework, namely (1) inclusive social and economic development; (2) sustainable investment and growth; (3) decent jobs and sustainable livelihoods; (4) a capable state; and (5) expanding opportunities.

Designed as a set of broad programmatic interventions, the plan is a roadmap to build a socially cohesive society. It states that, *"South Africa needs to reduce poverty and inequality by broadening opportunity and employment through economic inclusion, education and skills, and specific redress measures; promote mutual respect and inclusiveness by acting on the constitutional imperative that South Africa belongs to all who live in it, and that all are equal before the law; and deepen the appreciation of citizens' responsibilities and obligations towards one another."*

Hence the NDP specifically requires interventions towards policy instruments and agreements on moving to the next phase (ending 2017) of the new growth path, and proposes a system-wide roadmap for the prioritization of actions that lift key constraints to economic expansion, including a monitoring framework and indicators to evaluate development progress in future.

Consistent with this strategic and programmatic focus, the 53rd National Conference agreed that in order to realize the strategic goals of the NDP, the ANC must continue to mobilize society behind the vision of building a national democratic society by strengthening the alignment between economic growth, development and nation building, generating a virtuous circle.

5. OUR 2014 MANIFESTO PRIORITIES

Under the theme *"Together we move South Africa forward,"* the ANC's 2014 Election Manifesto enjoins us to undertake the following priority interventions over the next five years:

- ***"Establish capacity in the state to do long-term planning, drawing where necessary on expertise that exists in wider society.***
- ***Promote local procurement by directing the state to progressively buy at least 75% of its goods and services from South African producers and support small enterprises, co-operatives and broad-based empowerment.***
- ***Accelerate the roll-out of the massive economic and social infrastructure programme – especially in energy, transport, ICT and water – to unlock economic opportunities, create jobs and improve people's quality of life.***
- ***Empower, educate and create jobs for youth through job placement and internship schemes, allocating 60% of employment in infrastructure and other projects for youth, and promoting youth employment and training incentive schemes.***
- ***Promote investment and access to credit in the productive economy from the financial sector, including development finance institutions, through bolder and far-reaching reforms.***
- ***Consolidate the public works programme, creating six million work opportunities by 2019.***

Many of which will be of long duration

- ***Investigate the modality for the introduction of a national minimum wage as one of the key mechanisms to reduce income inequality.***
- ***Enforce measures to eliminate abusive work practices in atypical work and labour broking.***
- ***Promote decent work and strengthen measures to speed up employment equity.***
- ***Implement rural development focusing on meeting basic needs, land reform and rural enterprise development, supported by localised markets, credit facilities and economic infrastructure.***
- ***Increase investment in agricultural infrastructure in support of small-holder farmer development, prioritising former homeland communal areas.***
- ***Expand the Food for All programme as part of the national integrated food and nutrition policy for procuring and distributing affordable essential foodstuffs directly to poor communities.***
- ***Accelerate the settlement of remaining land claims submitted before the cut-off date of 1998, and re-open the period for lodgement of claims for restitution of land for a period of five years, starting in 2014.***
- ***Provide one million housing opportunities for qualifying households in urban and rural settlements over the next five years.***
- ***Accelerate provision of basic services and infrastructure in all existing informal settlements.***
- ***Increase the supply of affordable housing through mobilisation of housing allowances for teachers, nurses, police officers, office workers and many others in the gap market.***
- ***Connect an additional 1.6 million homes to the electricity grid over the next five years.***
- ***Continue work to achieve universal access to running water and decent sanitation."***

6. CHANGES IN THE BALANCE OF FORCES SINCE MANGAUNG

In the years since the 53rd National Conference in 2012, a number of events and developments have occurred, which impacted on our people and our movement

and have shaped the national debate about the state of the nation. The inauguration of the 2nd phase of the transition towards radical economic transformation coincides with tough economic challenges that have not only constrained funds available for the delivery of tangible results to our people but demonstrated the need for radical innovations in the design and implementation of policies and programmes. These include:

- The contested fifth non-racial general elections in 2014 and the coming to power of the fifth ANC government.
- The economic impact of rising interest rates, an increasingly volatile rand, a downward revision of the growth rate, a double deficit in terms of the current account and budget deficit, the downgrading of the country's credit rating on the capacity of the state to meet its developmental mandate.
- Service delivery protests that started but a few months after the general elections in 2008 and continued in various forms since then.
- The challenges of aligning programmes around the policy of radical economic transformation and our Manifesto priorities.

The problem is that business as usual funding models and programmes do not yet come close to compensating for the steep slide in revenue. In light of this, the impact on efforts to implement our election priorities is bound to be challenging. There will almost certainly be less funding available as budgets are revised downwards. Furthermore, declining household budgets will likely have a negative effect across all sectors as consumer spending tightens.

With growing structural inequality a major policy challenge, critical importance therefore attaches to the desire to match resources with opportunities for the poor and vulnerable by aligning programmes with outcomes envisaged in the NDP, the Medium Term Strategy Framework (MTSF), and more recently government's programme of radical economic transformation.

As the NDP recognises.

Uniting South Africa is both an essential input into the process of reducing poverty and inequality and a direct outcome of successful poverty reduction. To build a socially cohesive society, South Africa needs to reduce poverty and inequality by broadening opportunity and

employment through economic inclusion, education and skills, and specific redress measures; promote mutual respect and inclusiveness by acting on the constitutional imperative that South Africa belongs to all who live in it, and that all are equal before the law; and deepen the appreciation of citizens' responsibilities and obligations towards one another.

PART 2: SOCIAL TRANSFORMATION SINCE 2012 – PROGRESS AND CHALLENGES

Our task for social transformation is about advancing the goal of the ANC, as articulated in Strategy and Tactics of 2007, which states that, *“our strategies for social transformation must seek to empower people to lift themselves out of poverty while creating adequate social nets to protect the most vulnerable in our society.”*

Although faced with difficulties, the process of aligning policy to our goals has been managed well, and the 5th administration hit the ground running. In just over a year since assuming office, the reconfiguration of national and provincial government is near complete. These include the consolidation of coordination and planning capacity in the form of the Cluster system and the Planning Framework and Commission, as well as the capacity and framework for managing performance across government.

The ANC 2014 manifesto priorities – education and health; safety, security and the fight against corruption; decent work and a growing economy; and rural and agricultural development – are also central to the macro-organisation of government, the budget and to the communication of government. These priorities speak to what a developmental state should be about – that is, capable of delivering effective basic services and leveraging national development. The extent to which we are able to deliver on our election mandate is therefore part of the litmus test for progress in building a national democratic society.

What follows is a comprehensive assessment of our achievements and challenges since the 53rd National Conference.

7. ON SOCIAL COHESION AND NATION-BUILDING

In preparation for the 53rd National Conference of the ANC, we did an analysis of progress towards building a

national democratic society. Our observation was that we are still largely characterized by racial and ethnic divisions which have systematically excluded the majority of South Africans from full and unhindered participation in all aspects of national life, and have left deep and persistent social, cultural and economic divisions and inequalities in society. This is despite the fact that South Africa is a unitary and sovereign state based on democracy, the rule of law, the pursuit of equal human rights, non-racialism, non-sexism and the equality of all persons, as articulated in our constitution which defines the kind of society we seek to create.

We noted that despite the above, significant strides have been made in building a socially inclusive society over the past twenty years of Freedom and Democracy. This is evident, for example, in the building of human settlements of integrated communities.

Our immediate task going forward is to continue to build the ANC as the embodiment of our society by mobilizing society in its entirety to work together to build a caring nation proud of its heritage, based on shared values and a vision informed by the following principles:

- Constitutional democracy;
- Ubuntu
- Human rights and equality
- Non-racialism, non-tribalism and non-sexism
- Inclusivity and social justice
- Redress and transformation
- Intercultural and community cooperation
- Social solidarity
- Empowered, fair, inclusive and active citizenship
- Civic responsibility
- Unity in diversity
- National consciousness and identity.

This will include working towards the implementation of the recommendations of the National Development Plan, Vision 2030 as our blueprint for reducing unemployment and inequality and eliminating poverty. We have already noted that the inauguration of the 2nd phase of the transition towards radical economic transformation coincides with tough economic constraints on funds available for the delivery of tangible results to our people but demonstrates the need for radical innovations in the design and

implementation of policies and programmes. Central to this task is developing radical programmes that are inclusive; addressing economic and social development; delivering social development programmes; delivering quality education and healthcare; embarking on a radical human settlement programme; embarking on an inclusive land and rural development programme; building safer communities; responding to challenges of immigration; strengthening and promoting arts, culture, all official languages, heritage development and preservation including the promotion and preservation of progressive indigenous cultures and knowledge systems that are not in conflict with the constitution; and enhancing technological innovation, research and development.

Given these challenges the question for discussion going forward is what more do we need to do to promote the Charter of Positive Values adopted by the Moral Regeneration Movement in 2008?

What more should we do to continue to fight all forms of discrimination, which are threats to social cohesion and nation building?

8. ON REDUCING INEQUALITY AND ELIMINATING POVERTY

As indicated above our aim is to eliminate poverty and inequality. Whilst in over the past twenty years of Freedom and Democracy, significant strides have been made in building a socially inclusive society, made progress in reducing poverty, closing the gap between the poor and the rich. However, despite this progress in fighting and reducing poverty, inequality and unemployment, we still face challenges of race, gender and slow economic growth which results in many excluded from the economy.

Hence in order to respond to the above challenges, we will have to strengthen our resolve of the implementation of the National Development Plan, Vision 2030 and this will include the development of a comprehensive anti-poverty strategy that will help eliminate poverty and reduce inequality in society.

In response to challenges of the social wage, at the 2007 ANC 52nd National Conference we took a decision to equalize the pensionable age for the older persons. This has assisted in responding to some of the immediate challenges when it comes to ensuring that man especially those that need to be assisted by the state are able to contribute towards the development

and growth of families. Thus far and in particular since Polokwane we have completed the Consolidated Government Document; that sets targets, coverage of social assistance and social insurance. We have also been able to target more than 15 million people in this country benefit from social grants which allows the care-givers of children, the aged and those with disabilities to fulfill their basic needs and sustain their households. Hence, more than 94 % of our people have access to water, 84% have access to sanitation, 81 % of our people have electricity 71% of South Africans have refuse removed from their homes and that we have supplied more than 3 million of households with formal dwellings.

In response to the challenges of poverty, inequality and unemployment, since 2007, we have developed a framework Comprehensive Social Security strategy, which includes the following key elements; the expansion of the assets base of the poor through housing, small business and land reform programs. This strategy is back on the agenda of NEDLAC and will be debated and finalized by Social Partners.

We have increased the capacity of the state to ensure the acceleration of the implementation of the comprehensive social security strategy; to ensure the provision of free basic services for the poor, quality free education for poor households, passenger transport subsidies; we increase access to social grants to children and older persons as outlined in the Consolidated Government Document on Comprehensive Social Security.

In an attempt to answer the key question of what else should be done in the medium to long-term to decisively reduce poverty, unemployment and inequality, we make the proposals below.

- We need greater coordination of all anti-poverty interventions especially those with the greatest potential of creating jobs, transferring skills, building and maintaining community facilities, creating sustainable livelihoods including self-employment and small businesses, reducing food insecurity as well as transferring incomes. Greater coordination, especially by the Presidency, should ensure monitoring and oversight, quality control and shape a systematic way of communicating the impact of the ANC's anti-poverty policies.
- In this connection, short-term strategies for employment creation should be mainstreamed into a range of programmes across government.

The role of the Inter Ministerial Committee (IMC), chaired by the Deputy President, is not to duplicate or substitute for existing mechanisms of oversight and accountability across the spectrum of such strategies, but rather, to focus its energy and political authority on where IMC-level intervention is most able to add value and innovate, trouble-shoot, eliminate bottlenecks to implementation and mediate inter-governmental disputes.

- Enabling rapid scaling up of programmes. There is an urgency to create jobs. But rapid scaling up introduces higher programme risks. It requires rapid expansion in governance, delivery systems and capacity and often also in payment systems. All of these can require qualitative changes in institutional arrangements and in existing procedures. This certainly heightens the risks; but a narrow focus on the risks of scaling up can result in understating the societal risks of failing to do so. The IMC's role is to provide strategic oversight intended to manage and minimize the risks – without shirking the need to them.
- Coordinating multiple stakeholders is needed to fast-track implementation. Programmes that involve multiple governmental stakeholders face particular difficulties in implementation. Inter-governmental co-ordination is difficult, because of the way mandates, accountability and fiduciary responsibilities are structured in government. This is a crucial context in which the IMC is able to provide strategic oversight, secure high-level agreements and unblock institutional roadblocks that may exist on the path to implementation.
- Building accords has become more necessary in order to expand buy-in and support for our programmes. The focus on multiple stakeholders is not, however, only within government. The IMC should also focus on building partnerships outside of government where these enhance job creation prospects – especially with labour, business and communities. The ANC values the role of social partners in creating livelihood opportunities and reducing poverty. Our leadership therefore, should actively broaden the scale and scope support in order to extend reach to as many South Africans as possible.
- Focusing on the most marginalized is essential to maximize the impact of our programmes. When overall strategies for employment start to open new

opportunities, those 'closest' to such opportunities – spatially and in terms of their profiles, skills and experience – will be absorbed first. Enhanced coordination should have a dual focus on short-term employment creation as well as on addressing poverty. This means the leadership should pay particular attention to strategies that enable the inclusion of the poor, who are otherwise likely to be excluded from mainstream programmes because of poor social capital.

- Innovation has to inform our poverty interventions going forward. While enhancing the quality of existing programmes, we should continuously innovate and identify new avenues and sectors to expand opportunities. For example. South Africa faces such challenges as mine dumps which are hazardous to our communities. Short term jobs can be created by working with the mining sector, bring in cadets who can assist with land rehabilitation. The mining sector will have to cover most of the costs of this work whilst government, through EPWP instruments, can cater for training and other related elements of such a programme.

Apart from Social Security (i.e. grants), the Social Wage (i.e. free basic services, housing, free scholar transport, no fee schools, school feeding scheme, land reform etc.), the government should enhance the quality and raise the profile of the following programmes which constitute the core of our anti-poverty strategies:

- i. The Expanded Public Works Programme (EPWP)
- ii. Community Works Programme (CWP)
- iii. National Rural Youth Service Corps (NARYSEC)
- iv. The National Youth Service Programme (NYS)
- v. National Human Settlements Youth Brigade (NHSYB)
- vi. Community Development Workers
- vii. Military Skills Development System (MSDS)

For youth people in particular, it is essential that people going through these programmes exit with portable skills which help them access further learning, small business and employment opportunities. These programmes have been proven to work, as stated in the 20 Year Review. The task now is to expand them, enhance quality and ensure greater coordination and branding.

Finally, government should be urged to fast track

the finalization of the Comprehensive Anti-Poverty Strategy with the buy-in of social partners.

8.1 The ANC Government's Achievements in Transforming Social Protection

Over the last twenty years, the ANC government has worked consistently to develop a social protection system that is developmental and meets the needs of the most vulnerable people. With respect to income support for poor people, the ANC government, as required by the constitution, has been consistent in the progressive realisation of South African's social assistance needs. For example, the number of grantees accessing their constitutionally guaranteed entitlements grew from 2,4 million people in 1996 to about 16 million in 2014.

Since our Polokwane conference we have completed the Consolidated Government Document that sets targets and coverage of social assistance and social insurance programmes. We have also been able to target more than 15 million people in this country who now benefit from social grants which allow caregivers of children, the aged and those with disabilities to fulfill their basic needs and sustain their households. More than 94 % of our people have access to water, 84% have access to sanitation, 81 % have electricity, and 71% have refuse removed from their homes. We have also supplied more than 3 million households with formal dwellings.

Since 2007 we have developed a framework for a Comprehensive Social Security strategy, which includes the expansion of the asset base of the poor through housing, small business and land reform programmes.

We have increased the capacity of the state to ensure the acceleration of the implementation of the comprehensive social security strategy to ensure the provision of free basic services to the poor, quality free education for poor households, and passenger transport subsidies. We have increased access to social grants to children and older persons as outlined in the Consolidated Government Document on Comprehensive Social Security.

While South Africa's abilities to improve access to unconditional transfers to millions of its citizens has been impressive and is being studied as a model by other developing countries, its impressive impacts have largely been unappreciated domestically. Social

grants have created household income security, thereby helping families cope with vulnerability. The net effect is that human development indicators have improved and risks have been mitigated.

Studies undertaken by the Economic Policy Research Institute (EPRI) comparing poverty data between 1993 and 2013 found that Social Grants reduced the number of South Africans living in poverty significantly. If the strictest poverty measure is used; 40% of South Africans would be living in poverty without cash transfers. Government transfers are responsible for reducing this number to 25% . As well as reducing absolute poverty rates, as measured by income measures, social grants have also been instrumental in reducing inequality.

Given that the growth in social grants has been the highest in relation to the Child Support Grant (CSG), the Department of Social Development, SASSA and UNICEF published the outcome of a peer reviewed impact study in 2012. The study found that children who access the CSG early perform better at school. A noteworthy finding was that their performance in mathematics was better than peers in poor households that did not access social grants. Girls who enrolled in the CSG from an early age attained marks one-quarter of a grade higher than those who enrolled in the CSG at age six.

The CSG also has had considerable impacts on health. For boys who received the grant from an early age, the likelihood of illness is 10% lower than for boys who were enrolled at a later age. Adolescent health is also positively affected, particularly in terms of reducing risky behaviours across both genders. Alcohol and drug use decreased among recipients, as the CSG provided protection against drug use and also discouraged youth from engaging in reckless sexual encounters at an early age.

Moreover, the CSG has increased the employability of South Africans. Statistics from South African Labour Force Surveys and an analysis conducted by EPRI of three independent datasets are consistent in their findings. Most notably, there is no evidence that the CSG creates perverse labour market incentives or unproductive dependencies on grants by households. The evidence not only refutes the dependency hypothesis but also provides important evidence that the CSG can contribute to labour market engagement, particularly for groups within the country that often face significant risks and vulnerabilities. In particular, youth, women, and especially single women – including single

mothers – are most likely to respond positively to Child Support Grants by successfully finding employment.

Internationally, the grant has been recognised by the World Bank as amongst the best unconditional transfers in the world. In a recent report entitled *The State of Social Safety Nets 2014*, the World Bank ranks the CSG amongst the top five programmes across the world in terms of absolute number coverage as well as percentage of the population coverage. The Child Support Grant was ranked the largest social safety net in the continent.

In its effort to improve the payment of Social Grants, the South African Social Security Agency (SASSA) has reduced the cost of service delivery and improved the efficiency of the system. This was accomplished by improving grant application processes and implementing a new payment system which reduced the cost of paying grants by close to 50%. Between 2011 and 2013 the costs dropped from R3.5 billion to under R2 billion per annum. Fraud detection and prevention strategies have been institutionalised in the Agency, with thousands of ghost beneficiaries, including civil servants, prosecuted, and millions of Rands recovered from those who were ineligible.

Limited progress has been made in preventing large numbers of South Africans who retire into poverty after years of working. Close to 3 million do not have retirement benefits, resulting in large numbers of older persons who had jobs having to rely on the State Old Age Pension for income support. As a result, the establishment of a national retirement scheme will be one of the more pressing tasks facing the ANC government.

Over the past twenty years, the ANC government has made meaningful progress in expanding access to ECD programmes. The ANC and now government recognises the importance of early childhood development. An ECD Diagnostic Review identified a range of challenges in the ECD sector and argues for universal provision of ECD support. The 53rd Conference of the ANC and the National Development Plan are therefore in sync in calling for the ECD programme to become a public responsibility, with government, the private sector, NPOs and communities having a crucial role to play.

The National ECD Policy and a comprehensive programme that includes the 1000 days campaign will also include nutritional support to expectant mothers and children up to the age of five. To this end DSD

has audited 19 973 ECD sites to ensure continuous compliance to norms and standards.

An integrated social protection package for children will in essence be an investment in the country's future and ensure that the country is well placed to eradicate poor nutrition amongst children, improve psychosocial and cognitive development of children and improve educational outcomes.

The ANC-led government has passed essential pieces of legislation that will enable the implementation of the envisaged service package required for improved social protection of children. The Children's Amendment Act of 2007 provides for increased access to ECD services, increased reporting of child abuse, neglect and exploitation, and increased access to support services for vulnerable and orphaned children.

There has been progress in ensuring that people with disabilities are protected and supported. To this end, we have increased the Disability Grant and Care Dependency Grants beneficiary coverage to 1120419 and 120632 beneficiaries respectively. We have also been able to establish a Ministry that focuses on disabled in society. We have since drafted a Bill on Social Development Services to People with Disabilities.

Whilst there is progress in addressing challenges facing the disabled in society, there has been a lack of facilities to support the disabled in society, including the development of braille and sign language.

We continue to implement policies and programmes that are geared towards the protection and promotion of the rights of people with disabilities, including a campaign for the protection of the disabled in society. We must at the same time ensure that it is compulsory for all public buildings to have easy access for the disabled.

The Minister of Social Development has established a committee that will amongst other things ensure that our policies are integrated to promote the participation of people with disabilities at all levels of the movement and in all spheres of governance.

Whilst ensuring the continuation of mainstreaming disabled people and establishing full services in schools, we must prioritise the establishment of special needs schools for specific disabilities where the need arises. We must also develop mechanisms at the Early Childhood Development (ECD) level in order to detect the needs and challenges of a child at an early age.

The social and economic exclusion of Military Veterans, in particular the Non-Statutory Force (NSF), has not received priority attention from government departments. While the Department of Military Veterans has been established, there is a need to escalate the provision of a comprehensive basket of services (social and economic) by all state departments and parastatals.

8.2 Key actions and priorities for 2014-2019

Reform the current social welfare system to deliver better results for vulnerable groups

The current state-NGOs partnership model of delivery of services is inadequately funded, and poorly structured and organised to respond to the increasingly complex social problems facing our society. A need exists to reform the model to deliver better results. Work in this area will include improved services to protect the constitutional rights of vulnerable groups through better determining and resourcing a defined package of social welfare services. A critical element of this restructuring exercise will be to strengthen the partnership between government, community organisations, civil society organisations and private sector organisations involved in the delivery of social services. Work will be done to restructure the partnership between stakeholders to develop a system which is socially equitable, financially viable, structurally efficient and effective in meeting the needs of the most disadvantaged sectors of the population. The involvement of communities in planning and delivering services will be prioritised. Policy and institutional changes will be made to ensure improved accountability by government, NGOs and private sector providers of social services to ensure that qualitative and dignified welfare services are provided to people.

Address the skills deficit in the social welfare sector

The inability of South Africa's social welfare services to provide the quality of care required is reflected in the inadequate supply of social work, community development, and child and youth care professionals. There is an overreliance on professional social workers and a need to expand human resource capacity through the employment of other categories of social service personnel such as child and youth care workers, community development workers, social development workers, and volunteers.

In consultation with various stakeholders, including academic, formal and informal training institutions and organisations, and professional and allied associations, government must support the development of an appropriately trained pool of personnel at all levels, which includes both generic and specialised services. While there is a cadre of community development workers in the system, their training and capacity building environment is fragmented. This is exacerbated by the challenges in intergovernmental alignment around home and community based care activity, including overlapping mandates between the Departments of Health and Social Development.

Over the next five years, an ANC-led government will develop a workforce development strategy to train people in new approaches such as working in networks and partnerships; introducing new integrated posts in the welfare services sector; encouraging integrated education and training and the promotion of integrated approaches by professional training institutes; developing the sector's training, recruitment and retention strategy that anticipates the number of graduates each year and deploys them to the areas where there are shortages; and creating opportunities for social welfare personnel in the public and private sectors to develop themselves.

Improve Social Protection for Children

Children make up 31.3% of the population, and therefore require interlinking strategies to ensure that the adults of 2030 are active agents in implementing the vision for South Africa envisioned in the NDP. The ANC-led government will therefore accelerate the implementation of a Comprehensive ECD Programme, taking into consideration the proposals in the NDP. Policy changes will be made to ensure that there will be universal access for at least four (4) years of Early Childhood Development. The implementation of the Comprehensive Early Childhood Development will be accompanied by implementation programmes to support expecting mothers and children with nutritional and health outreach programmes at home, ECD facilities, schools and community centres.

While there is wide coverage and reach of the social assistance system, there are gaps, with some sections of people not accessing the benefits they qualify for. Lessons learned in the current administration highlight the unintended consequences of some of the approaches which require reviewing these to improve efficiency and fairness.

Create a Universal Child Benefit Grant

Given the positive impacts of the CSG, the ANC-led government will work towards universalising the Child Support Grant so that no deserving child is excluded. However, South Africa has approximately 1.5million double orphans and approximately 4million poor children who have mothers, but due to poverty and other social problems reside with their extended families. These are all children in need of foster care. The foster care system is cumbersome, with significant administrative delays that impact negatively on orphaned children's rights to adequate and timeous social assistance as is constitutionally required. Over the next five years, work will be done to review the CSG and FCG to align the benefits and create a universal child benefit.

Improve Social Protection Services for Youth

Youth aged 15–24 years account for almost 20% of the country's population while those aged 15–34 years account for 37%. The majority of the youth are poor, with more than half of all 18–24 year olds living under the lower bound poverty line of R604 per month in 2011. More than two-thirds live under the higher bound poverty line of R1 113 per month and that about half are unemployed and about two-thirds are inactive. Employment projections show that even if average annual growth were to rise to 5%, unemployment amongst 15–24 year olds would be 44% and 31% by 2020 and 2030 respectively, in the absence of special other interventions. In addition, the youth are unduly burdened with all key social challenges including unemployment, substance abuse and HIV and AIDS.

The ANC-led government will continue to develop strategies to retain young people in schools until they complete secondary schooling. Government will strengthen and implement policies and programmes to eradicate drug abuse and alcohol related harms as a key component of youth development work and implement a rights-based comprehensive sexuality education in schools.

Access to Sexual and Reproductive Health Services and family planning for the youth will be improved, including the implementation of a schools health programme. This will include the provision of dignity packs to support the health and development needs of all young people, with special focus on the needs of adolescent girls. Amendments will be made to the Social Assistance Act to ensure that children over the

age of 18 who are still at school are able to continue accessing the Child Support Grant so that their basic needs can be met.

The ANC-led government will therefore ensure that its programmes and policies focus on developing skills that are required by the economy so that the youth can become part of the mainstream economy. This will include accelerating the development and implementation of Youth Incentive and Support Programmes and the development of policies and strategies to support job-seekers that are tied to compulsory learning and skills development as part of the Comprehensive Social Security System. Post-school support will include improving programmes to train and skill unemployed young people. This will include creating opportunities for youth to volunteer in the military with the aim of learning life and vocational skills.

Expand access to Social Assistance and Social Insurance for Adults and Older Persons

With respect to social assistance, the ANC-led government will universalize the State Old Age Pension over the next 5 years. This will ensure that no older persons are left vulnerable due to exclusions currently associated with the means tests that are applied. With respect to social insurance, South Africa still does not have a statutory pension system. The ANC government will therefore work towards implementing the proposals in the Consolidated Government Document on Comprehensive Social Security so as to affect retirement reform measures to improve the livelihoods of those who have had jobs after retirement. Work will also be done to improve the administration and efficiency of the current contributory systems such as the Compensation Fund the UIF, and COIDA to meet the needs of the many informal workers and those involved in seasonal employment and other forms of contract work.

The 53rd Conference of the ANC noted that the ANC's Polokwane Conference took key decisions on the welfare of veterans of the struggle, which relates to housing, health-care, education support, social security and other social services in relation to themselves and their families. Since then the Military Veterans Act has been passed which lays the basis for more comprehensive social protection measures for military veterans. Over the next 5 years the ANC-led government will implement the measures as outlined

in the Military Veterans Act and develop a programme focusing on a comprehensive social package for the military veterans, including social assistance measures.

Implement the Household Food and Nutrition Strategy

Based on resolutions taken at the 53rd Conference of the ANC, a detailed Household Food and Nutrition Strategy was developed. The strategy seeks to integrate the production and consumption of food with a bias towards improving the productive capacities of families, small and mediums sized farms. The strategy will engage the whole of government in partnership with civil society. The Household Food and Nutrition Strategy has been approved by Cabinet and the ANC-led government will accelerate the implementation of this strategy over the next 5 years.

9. ON HUMAN SETTLEMENTS AND A COMPREHENSIVE PLAN FOR HOUSING DELIVERY

At its inception, the Housing Policy and Strategy (1994) focused on stabilising the environment to transform the extremely fragmented, complex and racially-based financial and institutional framework inherited from the previous government, whilst simultaneously establishing new systems to ensure delivery to address the housing backlog. The significant achievements of this programme have been recognised both nationally and internationally. Significant socio-economic, demographic and policy shifts have also occurred over the past 10 years.

9.1 Achievements

Since the hosting of the 53rd conference in December 2012 the following has been achieved:

Social Contract

During 2014 each province was expected to host a Social Cohesion Summit (SCS) and a National Report Back Summit (NRBS) must be held. Each province must accelerate the change in improving the quality of life of all people within its own jurisdiction, with special attention on the needs of the youth, women and people with disabilities.

The National Department of Human Settlements (NDHS) has advised all Provincial Human Settlements Departments (PHSD) and Metropolitan Municipalities

– that is, Metros – to host a Social Housing Summit (SHS). Summits have been hosted in Metros such as Ekurhuleni, and the NDHS will be hosting its indaba in October 2014 and its entity National Home Builders Registration Council (NHBRC) will also be hosting a Summit in November 2014. The NDHS has sent a delegation to various countries to explore approaches to delivering sustainable human settlements.

Women, Youth and People with disabilities

The NDHS, through its construction projects, is building capacity to drive the social transformation agenda. This includes absorbing youth and women into economic activities.

Taking into account the above, the NDHS has set the following targets so as to ensure that social transformation comes to fruition:

- A target of 30 % of women contractors has been set;
- A target of 2% of people with disabilities has been set; and
- A target for youth contractors has been set.

Over and above the targets as scheduled supra, women, people with disabilities and the aged are the focal point of all national housing policy programme-related interventions. The NDHS also has a target of delivering a housing assistance programme to about five thousand eight hundred and fifty four (5 854) Military veterans. This is aimed at alleviating poverty and dealing with the challenge of unemployment.

Built Environment Skills Development

The NDHS has employed built environment professionals as part of Professional Resource Team (PRT) companies and other professionals and contractors in order to boost the skills required by the economy. A group of built environment professionals (Total number of interns) has been paired with professionals operating in the built environment.

Further, build environment professionals that are already in the employ of the NDHS have been encouraged to register with relevant councils that regulate their professions. For instance, the Development Planners and Town and Regional Planners have been encouraged to register with the South African Council for Planners (SACPLAN). This has been undertaken to ensure that professional practice

is enhanced in the undertaking survive delivery related duties and responsibilities.

Moreover, the Human Resource Development (HRD) programme is to be utilised to ensure that the professionalisation of the sector is accelerated. This will occur in the form of encouraging staff members to acquire scholarships that will assist them in obtaining built environment-related skills that can aid the sector to augment service delivery.

Research and Development

Further investment is being made by the NDHS in Research and Development (R&D) of Alternative Technology (AT). About ten percent (10 %) of human settlement development projects and contracts must be given to Alternative Building Technology (ABT). The NDHS has signed a Memorandum of Understanding (MOU) with the Council for Science and Industrial Research (CSIR) and Human Sciences Research Council (HSRC) with the intention of partnering with key stakeholders, including universities, in the delivery of policy and research that support the delivery of sustainable human settlements.

Social Net

The housing or human settlement grant is still aimed at the poorest of the poor earning between R0 and R3500 and the gap market earning between R3501 and R15 000. The government is still operating on a policy of a 70/30 split in the development of social housing projects. The country has developed Community Residential Units (CRUs) for the qualifying beneficiaries. The NDHS aims to partner with the private sector and develop more affordable rental units, especially in urban areas which are experiencing an influx.

9.2 Challenges

Poverty manifests itself in different ways. In Towards a 10 year Review, poverty is understood to involve three critical dimensions: income, human capital (services and opportunity) and assets. A composite analysis of indicators in these three categories assists in compiling a broad picture of the experience of poverty in terms of deprivation of basic needs and the vulnerability, powerlessness and experience of exclusion which accompanies lived poverty. Housing primarily contributes towards the alleviation of asset poverty. This contribution is to be strengthened in the new human settlements plan through supporting the

development of sustainable human settlements and the development of housing assets.

After the 1994 elections, Government committed itself to developing more livable, equitable and sustainable cities. Key elements of this framework included pursuing a more compact urban form, facilitating higher densities, mixed land use development, and integrating land use and public transport planning, so as to ensure more diverse and responsive environments whilst reducing travelling distances. Despite all these well-intended measures, the inequalities and inefficiencies of the apartheid space economy, has lingered on.

9.3 Our new strategy and vision

Whilst ANC-led government believes that the fundamentals of the policy remains relevant and sound, a new plan is required to redirect and enhance existing mechanisms to move towards more responsive and effective delivery. The social transformation committee decided to recall the Breaking New Ground document for discussion given that it forms the basis of the chapter on Human Settlements in the National Development Plan. It will be the basis of legislation to be introduced by the ANC in the area of Human Settlements.

The new human settlements plan reinforces the vision of the Department of Housing, to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing. Within this broader vision, the Department is committed to meeting the following specific objectives:

- Accelerating the delivery of housing as a key strategy for poverty alleviation
- Utilising provision of housing as a major job creation strategy
- Ensuring property can be accessed by all as an asset for wealth creation and empowerment
- Leveraging growth in the economy
- Combating crime, promoting social cohesion and improving quality of life for the poor
- Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump.
- Utilizing housing as an instrument for the

development of sustainable integrated human settlements, in support of spatial restructuring.

The mechanisms which the Department intends to introduce to achieve these objectives are discussed in greater detail in the remainder of this section.

9.4 Supporting the entire residential property market

Expanding the scope of the housing mandate

The new plan envisages the expansion of the mandate of the Department to encompass the entire residential housing market. This expanded scope is required to address the challenge of increased integration between the primary and secondary housing market. The impact of this expanded mandate is reflected throughout the plan, but is manifested most strongly through the expansion of the existing state-assisted housing scheme to support lower-middle income groups.

The current housing mandate restricts subsidies to households earning less than R3,500 per month. This was premised upon the assumption that end-user finance would be accessed for the construction of houses by income groups above R3500 per month. This has not in fact occurred and there is a growing disjuncture between subsidised and non-subsidised residential accommodation. This impacts negatively on the operation of the residential property market. In order to address this problem, a new subsidy mechanism is to be introduced to facilitate the availability and accessibility of affordable housing finance products/instruments to medium income households (earning R3,500 to R 7,000 p.m.) by providing a mechanism to overcome the down-payment barrier. This mechanism will be linked to household savings and loans from financial institutions. This mechanism is discussed in greater detail under the Financial Subsidy Systems Reform Business Plan.

Shifting from product uniformity to demand responsiveness

The dominant production of single houses on single plots in distant locations with initially weak socio-economic infrastructure is inflexible to local dynamics and changes in demand. The new human settlements plan moves away from the current commoditized focus of housing delivery towards more responsive mechanisms which address the multi-dimensional

needs of sustainable human settlements². This approach is intended to provide maximum flexibility and will ultimately enhance the mobility of households³. The movement towards increased flexibility and demand responsiveness inevitably increases tension between uniform subsidy payments and increasingly non-uniform housing products as policy moves away from allocative equity to demand responsiveness and flexibility. The mechanics of this approach is discussed in greater detail in the Social Housing Programme Business Plan and the Informal Settlement Upgrading Programme Business Plan.

Enhancing the role of the private sector

The new plan envisages a continuation and deepening of the partnership between government and the private sector vis-à-vis the development of sustainable human settlements. In particular, the support of the private sector will be required in the following areas:

Construction capacity and the collapsing of the subsidy bands

The withdrawal of large construction firms from the state-assisted housing sector has meant that the conditions for reproducing public-private partnerships for housing construction in the primary market have been reduced and the rate of construction has accordingly dropped. In order to promote the participation and contribution of the private sector in housing construction, the existing 3 subsidy bands are to be collapsed to enable households earning below R3500 to access a uniform subsidy amount. This mechanism will address housing bottlenecks in respect of households earning above R1500 and will also substantially increase the number of households who qualify for a full housing subsidy. This increased demand for housing, coupled with the removal of key bottlenecks, will create new opportunities for private sector participation in the housing programme.

The provision of housing finance

Housing finance from financial institutions is key to the development of the primary and secondary housing market. The new human settlements plan will introduce the following interventions to support lenders to meet their commitments under the Financial Sector Charter:

- **Mechanisms to overcoming the down-payment barrier** – The expansion of the subsidy instrument to medium-income households (earning R3500 to R 7000 p.m.) by providing a mechanism

to overcome the down-payment barrier and will enhance lending by financial institutions. This aspect is discussed in greater detail under Financial Arrangements.

- **Funding for Social Housing** – Funding is to be provided for social housing institutions through public private partnerships and/or Special Purpose vehicles.
- **Loss Limit Insurance** – Government may investigate the introduction of a risk sharing mechanism to limit the lender's loss to a more normal proportion of loan value in the event of default.
- **Fixed Interest Rates** – The Department will work with the financial sector to develop mechanisms to address volatile interest rates including the development of fixed rate loan products.
- **New Product Development** – While significant attention has gone into extending the mortgage loan product down market for the benefit of low income earners, this product is not appropriate for everyone. Specifically, no appropriate loan products exist to service secondary transactions in an incremental residential property market. A significant proportion of households in this sub-market lacks the formal employment and levels of income necessary to support medium- to long-term instalment mortgage loans. Alternatives linked to savings/insurance products, which generate cash endowments, are accordingly to be developed in conjunction with the financial sector.
- **Monitoring lending trends and enforcing the Financial Services Charter** – The Department will increase lending transparency through the establishment of the Office of Disclosure under the Home Loan and Mortgage Disclosure Act. This will facilitate the monitoring of lending trends. The Department will, in addition, engage with the Reserve Bank to establish instruments to enforce the targets contained in the Financial Services Charter vis-à-vis participation in the state-assisted housing programme.

Project management and other support

Significant capacity constraints are currently being experienced in the public sector. It is accordingly vital that the resources of the private sector be harnessed to deliver housing programmes at scale. A portion of the

capital budgets is to be made available for operational expenses and outsourcing planning, engineering, project management and social facilitation to the private sector to ensure delivery in the short term. It will be expected of the private sector teams to provide skills transfer and training to public sector employees who will increasingly have to take on the responsibilities of ensuring delivery. The need for outsourcing will depend on capacity across government and will not be the same everywhere.

Employer-assisted Housing

It is imperative that the private sector and particularly employers take an active role in the housing process for low- to moderate-income earners. Discussions will be held with employer groups regarding their contribution to the process.

Creating linkages between the primary and secondary residential market

Housing represents the most significant investment that most families make and is often their only provision for long-term security. Currently, the secondary property market is dysfunctional at the lower end of the market. A dysfunctional secondary market undermines the realisable value on properties and consequently the value underpinning security for mortgage loans. Mechanisms must accordingly be introduced to support the development of a functioning residential property market and enhance the linkages between the primary and secondary residential property market. The new human settlement plan accordingly introduces the following inter-related interventions:

- **Supporting individual housing demand** – The operation of a secondary market is dependent upon the existence of effective housing demand i.e. purchasers with the necessary funds to acquire property. The existing subsidy scheme is presently associated with a supply side delivery model in which subsidies are accessed through new housing projects. This makes it difficult for people to acquire housing in other circumstances. In response, the Department will now reintroduce and promote the demand-side individual subsidy instrument which will enable individuals to purchase properties on an individual basis. Due to previous abuses of this mechanism, this subsidy

will only be available to support secondary market transactions.

- **Removing barriers to housing trade** – Section 10A of the Housing Act prohibits the sale of government-subsidised property for a period of eight years. This section was enacted to protect subsidy beneficiaries from downward raiding. The provision has also had the unintended consequence of undermining beneficiary choice and housing mobility and has created a significant barrier to formal secondary transactions. For this reason, an amendment to Section 10A of the Housing Act, 1997, is to be introduced to reduce the prohibition period following occupation to five years.
- **Focusing on the local level** – The supply of state-assisted housing must respond to housing demand. This relationship is best packaged at local level. Municipalities must accordingly take the lead role in negotiating the location of housing supply to facilitate spatial restructuring. Municipalities must also facilitate a greater match between the demand and supply of different state-assisted housing typologies. This approach envisages that municipalities will play a significantly increased role in the housing process. This will help to build linkages between housing delivery, spatial planning, and transportation systems and will also support the integration of housing into Municipal IDPs, ensuring greater budgetary coherence. This issue is dealt with in greater detail under the Institutional Arrangements Business Plan.
- **Enhancing access to title** – Access to title is a fundamental principle of national housing policy. While security of tenure has been achieved in principle, a significant proportion of public housing stock has not yet been transferred into the names of the entitled individuals⁴. In addition, a large number of houses constructed under the existing housing programme have not yet been transferred to households. In order to address these problems, the Department will implement a range of measures to stimulate a renewed uptake in the Discount Benefit Scheme in order to transfer the balance of the free-standing public housing stock. The Department will also establish a high priority focus to complete the registration of transfer in respect of houses constructed under the existing housing programme.

9.5 Strategic interventions

From Housing to sustainable integrated human settlements

Cabinet has adopted the National Spatial Development Perspective (NSDP) as an indicative framework to inform decisions on infrastructure investment and development spending. This perspective has noted that several development programmes, including the housing programme, is not addressing the distortions of the inherited apartheid space economy. The Department of Provincial and Local Government has furthermore prepared the Draft National Urban Strategy (2004), which proposes a vision for South African towns and cities where they will be spatially and socially inclusive, well-designed and developed in an environmentally efficient way.

Through this new plan, the Department will shift towards a reinvigorated contract with the people and partner organizations for the achievement of sustainable human settlements. “Sustainable human settlements” refer to:

“well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity”.

At the heart of this initiative is the move beyond the provision of basic shelter towards achieving the broader vision of sustainable human settlements and more efficient cities, towns and regions. This issue is discussed in greater detail in the Spatial Restructuring and Sustainable Human Settlements Business Plan. In line with the NSDP and the Draft National Urban Strategy, the Department will enhance its contribution to spatial restructuring by:

Progressive Informal Settlement Eradication

Informal settlements must urgently be integrated into the broader urban fabric to overcome spatial, social and economic exclusion. The Department will accordingly introduce a new informal settlement upgrading instrument to support the focused eradication of informal settlements. The new human settlements plan adopts a phased in-situ upgrading approach to informal settlements, in line with international best practise. Thus, the plan supports the eradication of informal settlements through in-situ upgrading in desired locations, coupled to the relocation of

households where development is not possible or desirable⁸. The upgrading process is not prescriptive, but rather supports a range of tenure options and housing typologies. Where informal settlements are upgraded on well-located land, mechanisms will be introduced to optimize the locational value and preference will generally be given to social housing (medium-density) solutions. Upgrading projects will be implemented by municipalities and will commence with nine pilot projects, one in each province building up to full programme implementation status by 2007/8. In addition, it is indicated that a joint programme by the National Department, the Western Cape Provincial Government and Cape Town Metropolitan Council has already initiated the N2 upgrading project from the Airport to Cape Town, covering the informal settlement in Gugulethu, Cross Roads, Khayelitsha, and Langa as a lead pilot project. Therefore a further 8 projects are to be identified. This intervention is discussed in greater detail in the Informal Settlements Programme Business Plan.

Promoting Densification and Integration

Integration and restructuring are public interventions in the way in which towns and cities are built and the processes by which wealth is generated and distributed. The key objective is to integrate previously excluded groups into the city and the benefits it offers, and to ensure the development of more integrated, functional and environmentally sustainable human settlements, towns and cities. The new human settlements plan includes the following interventions, which are discussed in greater detail in the Spatial Restructuring and Human Settlements Business Plan.

■ **Densification policy** – Suitable policy instruments and adjustments to promote densification in urban areas are required. The National Department of Housing, in conjunction with the Department of Provincial and Local Government, will investigate the development of suitable policy instruments and adjustments to promote densification. This will interrogate aspects of promoting densification, including planning guidelines, property taxation, zoning, subdivision, and land swaps and consolidation. A draft densification policy will be ready for consideration by October 2004.

■ **Residential development permits** – The Department will investigate the introduction of mechanisms such as residential development

permits. These permits are used extensively in the international context and facilitate income integration by obliging developers either to set aside units within residential developments for lower-income groups or, alternatively developing lower-income residential accommodation in adjacent areas. In this instance it is proposed that 20% of all residential development would constitute low cost to affordable housing and would be prescribed through the permit. This can be achieved on site or in alternative location initially to overcome negative perception about property value depreciation. It is envisaged that once the programme has been successfully implemented those perceptions will change and on site development can be achieved in the medium term. In all instances, adequate provision is to be made for the construction of supportive social infrastructure in support of residential development.

■ **Fiscal incentives** – The Department, in conjunction with Treasury and SARS, will investigate the development of fiscal incentives to promote the densification of targeted human settlements and whilst introducing disincentives to sprawl. This may require engagement with DPLG and municipalities.

Enhancing Spatial Planning

The development of sustainable human settlements must be undertaken within a broader spatial restructuring framework, incorporating the principles of the NSDP and the National Urban Strategy. In practice, however, spatial planning is spread between the Departments of Housing, DLA and DPLG, with significant aspects being addressed by the Department of Transport. Greater coordination and alignment of various planning instruments and economic policies lies at the heart of sustainable human settlements. This requires more than mere co-ordination between departments, but instead suggests the need to develop a single overarching planning authority and/or instrument to provide macro-level guidance to support the development of sustainable human settlements. This will enhance the sustainability and success of the new plan.

Enhancing the location of new housing projects

The location of housing projects has been criticized as reinforcing apartheid spatial settlement patterns.

The objective of spatial restructuring demands a more decisive intervention in land markets. The new human settlements plan envisages the following interventions:

- **Accessing well-located state-owned and para-statal land** – An overall strategy to facilitate the release of well-located public land to municipalities will be developed in co-operation with the Department of Land Affairs and the Department of Public Works. Public land and land held by para-statal organisations, where deemed suitable for housing purposes, is to be transferred to municipalities at no cost. The strategy will be coupled to the Public Land Register, which is expected to enhance the coordination of land assembly at project level. Municipalities, in co-ordination with provincial departments, will request land parcels for vesting and transfer.
- **Acquisition of well-located private land for housing development** – A strategy will be developed in conjunction with the Department of Land Affairs to finance and guide the acquisition of private land for housing purposes. All land will be acquired by municipalities in line with Municipal IDPs, Spatial Development Frameworks and will be made available for housing development in line with the Housing Chapter of IDPs. Private land will only be acquired where there is no appropriate state-owned land and whilst preference will be given to the negotiated purchase of land, land may also be expropriated at market value as a final resort. The strategy is expected to be complete by December 2004, with full implementation by April 2005.
- **Funding for land acquisition** – The acquisition of land to enhance the location of human settlements constitutes a fundamental and decisive intervention in the Apartheid space economy. This cost should not be borne by the poor, but should be treated as a broader social cost. As a result, funding for the acquisition of land will no longer form part of the housing subsidy. Rather, the acquisition of well-located private land will be funded through a separate funding mechanism.
- **Fiscal incentives** – The Department will engage with SARS and Treasury to investigate the introduction of fiscal incentives (and disincentives) to support the development of well-located land. This will also require engagement with DPLG and municipalities.

Supporting Urban Renewal and Inner City Regeneration

Urban renewal is a targeted intervention by government to resuscitate declining urban areas. Housing plays an important role in a range of urban renewal interventions focused on urban centres and exclusion areas such as inner cities and historical townships. Increasingly, the renewal of inner city areas has become focused on commercial and high-income residential property redevelopment. During the implementation of these projects, the current inhabitants of these areas are often excluded as a result of the construction of dwelling units that they cannot afford. Many municipalities are striving to avoid this by promoting, amongst others, affordable inner-city housing. The new human settlements plan will support this by:

- **Encouraging Social (Medium-Density) Housing** – Social Housing is generally medium-density and this housing intervention may make a strong contribution to urban renewal and integration. Social housing interventions may also be used to facilitate the acquisition, rehabilitation and conversion of vacant office blocks and other vacant/dilapidated buildings as part of a broader urban renewal strategy. Social housing developments should be dovetailed with other initiatives such as municipal redevelopment projects and the urban development zone tax incentive offered by SARS.
- **Increasing effective demand** – The introduction of a new incentive to facilitate access to loan finance in the middle income group above the R3 500 income limit and the re-introduction of demand-driven individual subsidies will have the effect of increasing effective demand for existing, well-located property. This is expected to provide an incentive for the redevelopment of properties within inner city areas.

Developing social and economic infrastructure

There is a need to move away from a housing-only approach towards the more holistic development of human settlements, including the provision of social and economic infrastructure. The new human settlements plan proposes that:

- **Construction of social and economic infrastructure** – Municipalities must determine the need for social/community facilities through a community profile and facilities audit to ensure that facilities are appropriately targeted.

It is thereafter envisaged that a multi-purpose cluster concept will be applied to incorporate the provision of primary municipal facilities such as parks, playgrounds, sport fields, crèches, community halls, taxi ranks, satellite police stations, municipal clinics and informal trading facilities.

- **New funding mechanism** – A new funding mechanism will be introduced to fund the development of the primary social/community facilities, which will focus on informal settlement upgrading projects, completed housing projects still lacking social facilities and new housing projects. The programme will provide funding assistance amounting to 50% of the primary, social/community facility development costs of projects implemented by district councils, while 100% of the development costs of projects implemented by local municipalities will be funded.
- **Municipal implementation** – Municipalities will be the primary implementation agencies and will submit business plans for approval to Provincial Housing Departments. Municipalities will be responsible for the operational and maintenance costs, but facilities may be managed/operated by CBO's and NGO's active within the beneficiary communities. Implementation will commence on 1 April 2005 and will continue for a three-year period after which the assistance provided will fall away and become the responsibility of all municipalities concerned.

Enhancing the Housing Product

There is a need to develop more appropriate settlement designs and housing products and to ensure appropriate housing quality in both the urban and rural environments. The new human settlements plan accordingly proposes the following:

- **Enhancing settlement design** – The Department will investigate the introduction of enhancing measures and incentives to include design professionals at planning and project design stages, and will develop design guidelines for designers and regulators to achieve sustainable and environmentally efficient settlements. This is aimed at promoting the development of dignified size of house that supports morality of family and society.
- **Enhancing housing design** – Within the rural context, there is a need to make housing

interventions more effective, to enhance the traditional technologies and indigenous knowledge which are being used to construct housing in rural areas and to improve shelter, services and tenure where these are priorities for the people living there. Within the urban context, there is a need to focus on "changing the face" of the stereotypical "RDP" houses and settlements through promotion of alternative technology and design. The Department will investigate measures and incentives to enhance housing design and promote and alternative technologies, including support and protection of indigenous knowledge systems.

- **Addressing housing quality** – The Department will undertake an audit of and develop a programme to address the poor quality of houses built before the introduction of national norms and standards and the NHBRC Warranty Scheme. Municipalities must also play an increasing role to ensure compliance with building plan approvals and township establishment conditions. The maintenance of construction standards in the face of the shift towards supporting smaller economic interests will be addressed by capacitating municipalities and the National Home Builders Registration Council to monitor quality.

10. ON ARTS, CULTURE AND HERITAGE

At our 53rd national policy conference in Mangaung, the ANC resolved that, *"We must work towards the implementation of the recommendations of the 2030 National Development Plan as a long term vision which should serve as a basis for partnerships across society to attain the South Africa of our dreams, as eloquently articulated in the constitution."*

Informed by the ANC's and government's policy framework, our arts, culture, social cohesion and nation building mandate is captured in our vision of *"a thriving arts, culture and heritage sector contributing to sustainable economic development, leveraging on partnerships for a socially cohesive nation."*

As the NDP states, *"Arts and culture open powerful spaces for engagement about where a society finds itself and where it is going. Promoted effectively, the creative and cultural industries can contribute substantially to small business development, job creation, and urban development and renewal."*

Hence, the transformatory electoral mandate of the 2014 election, captured in the ANC's manifesto and translated into several outcomes, identifies the promotion of social cohesion and nation building as Outcome 14. The Delivery Agreement for Outcome 14 pertaining to arts and culture points out that while the Constitution and its Chapter Nine Institutions have laid the foundations for an inclusive and just relationship between citizens and the state at different levels of government, as well as with other public and private agencies, the effective realisation of the full participation of all citizens remains uneven.

This outcome was assigned to the Ministry of Arts and Culture. The core of the resolution is the need to focus on development in order to drive social cohesion.

10.1 Achievements

Since 2012, initiatives to take forward our strategic priorities in the Arts, Culture and Heritage (ACH) sector have included a comprehensive review of our strategies and programmes towards building a national democratic society. In 2011, we convened a National Consultative Summit which provided a revised strategy and plan, including new large-scale interventions to:

- reinforce the Arts, Culture and Heritage (ACH) Sector as an economic growth sector; and
- introduce programmes that contribute to large-scale employment.

Pursuant to our strategy and vision, the following measurable objectives were aligned to the mandate:

- a) Coordinate and support the national strategic programmes by developing and reviewing policy and legislation and developing systems for monitoring and evaluation.
- b) Increase and facilitate access to and broader participation in arts and culture through policy formulation, legislation and equitable funding.
- c) Increase the access and participation of grassroots arts practitioners in cultural industries economic activities through training, legislation and international opportunities.

Consistent with the above, we re-engineered our strategic focus during the 2009-2014 term of government. Such re-engineering was informed by the government-wide strategic re-orientation, following the National Consultative Summit in 2011

and a conference on social cohesion at Kliptown in 2012, which put sustainable livelihoods and cultural entrepreneurship at the centre of our priorities. It was then imperative for us to clearly articulate our contribution to the job creation and economic development agenda of government.

To give effect to our strategic mandate we launched the Mzansi Golden Economy (MGE) strategy in 2012. The strategy essentially focused on the creation of an estimated 5 million jobs over the next ten years as a primary objective by:

- Identifying areas where employment creation is possible on a large scale, as a result of substantial changes in conditions in South Africa and globally.
- Developing a policy package to facilitate employment creation in these areas, above all through:
 - A comprehensive drive to enhance both social equity and competitiveness;
 - Systemic changes to mobilise domestic investment around activities that could create sustainable employment;
 - Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities.

The following programmes constitute the MGE:

National Academy for Cultural & Creative Industries of SA (NaCISA)

NaCISA will provide training, not necessarily in the form of bricks and mortar, as a way in which to expand knowledge and expertise to people. The main emphasis of this programme is the provision of enabling training kits that are widely accessible.

Creative Arts Incubators

Once people are trained, artists will progress to incubation centres across the country. These incubators will help provide artists with the tools for production. For example a film maker will be provided with the tools (camera equipment, etc.) to make films. The tangible measure of impact of the two programmes will be more local content.

Venture Capital

Our Venture Capital programme will help artists who have progressed beyond the apprentice and professional (incubator) levels to access capital and markets. It is often the case that entrepreneurs struggle to sustain business initiatives because of financial

dips. The Venture Capital fund will assist with moving people out of dips into more sustainable economic activities.

Tax Incentives

Our tax incentive interventions address both immediate concerns around Section 18A of the Income Tax Act and more comprehensive medium-term interventions pursuant to a tax regime that both enables artists to build sustainable enterprises and contribute towards the tax revenues of the country. In large measure, these programmes are aimed at making it easier for artists to expand sources of funding. We are currently designing a strategy to achieve this objective.

Audience Development

Our Audience Development programme will enable us to leverage our institutions and resources to create more customers who buy local content from artists.

Market Development

The final leg of the MGE programme is the creation of an Mzansi Golden Market that is able to pool the buying power of government and the private sector. Both government and the private sector will source local content that artists themselves create. One method of maximising the Mzansi Golden Market is an online platform that will expand market opportunities for creative entrepreneurs.

Loyalty programme

The Mzansi Golden Market will be complimented by a loyalty programme aimed at incentivising and creating more markets.

a. Strategic Challenges

There are a number of challenges and key issues for consideration as we proceed with the rollout of the various MGE strategic initiatives, discussed below:

- Funding and the high dependence on government sources of funds. Alternative sources of funding such as the Lotto should be leveraged, and the available funding should be equitably spread and all forms of duplication removed.
- A lack of understanding of the role of Arts and Culture, in particular, its impact on society and the economy is a stumbling block towards elevating the importance of Arts and culture. This is exacerbated by the inability to quantify the socio-economic contribution of Arts and Culture.

- Investing in the 'usual suspect' sector bodies leading to a lack of participation by potentially powerful partners and unexploited strategic partnerships. The lack of utilisation of indigenous knowledge systems as a strategic driver for MGE needs to be reconsidered.
- Inadequate policy development and related monitoring and evaluation. There is a need to ensure that the programmes and interventions are well conceptualised and broadly meaningful and that there is a cross-cutting involvement of government across the 3-spheres, in order to improve on the current lack of ownership and commitment.
- The participation and implementation of programmes across the sector is too narrow due to a perceived lack of consultation and engagement across the sector and an inequitable distribution of opportunities, compounded by a loss of intellectual capital.
- The lack of a research strategy in the MGE resulting in inaccurate monitoring and reporting on concepts that are only 'lightly' defined. Specifically, there is a lack of research infrastructure for the sustainable development of digital content and official language services.
- There is a lack of balance between developing new infrastructure and maintaining existing, thereby impacting on the sustainability of programmes.
- The promotion of literacy through the development of a culture of lifelong reading and writing as an emphasis on market development and not only as a skills development intervention.
- There are a number of transversal issues to be taken into account in the area of human capital and skills development, including:
 - The need for capacity building for the arts in general across many levels;
 - The need to develop ACH skills pipelines and career paths and to make it attractive for qualified arts practitioners to be recruited into civil services in all 3-spheres of government;
 - The lack of transformation of existing institutions;
 - The lack of clarity on the NACISA implementation plan;
 - Under-utilised internal human resources due to an organisational design and structure not

aligned to strategy. Re-skilling and up-skilling may be required.

- In the area of job creation and entrepreneurship there are persistent challenges related to the full participation of the sector. Some of the issues to be addressed include:
 - The need to create a platform for the creative industries to operate effectively;
 - The creation of a linkage between skills development and job creation;
 - Assisting in expanding the markets for products through the creation of an enabling environment for artists to market their products;
 - The articulation of the competencies that are needed for the 200 artists in schools programme and the performance management of same.
- Developing markets and building and growing audiences in a low economic growth environment remains a critical but challenging issue. Extensive marketing of the MGE strategies and initiatives are required to gain broader awareness, buy-in and collaboration, with the possibility of incentives, public-private partnerships and inter-governmental partnerships.
- Research, monitoring and evaluation require proper systems to be instituted with a view to measuring the impact of ACH on communities and the economy.
- Governance and administration across the sector needs to be improved with a clear delineation of the roles and responsibilities of the various participants. The intention being to eliminate duplication, minimise conflict, confusion and inefficiencies in the allocation of scarce resources. The ever-increasing compliance demands are also to be considered.
- The resource base of the arts requires growth and development with the creation of additional revenue streams for the sector and improving access to the arts.

The above analysis of the context and environment of the ACH sector suggests that it can no longer be business as usual, with the overwhelmingly strong message being the need for radical socio-economic

transformation and the creation of an ACH sector which adds value through its nation building and social cohesion leadership, as well as the championing of programmes with an economic spin-off.

10.3 Our plan for programmatic alignments and reprioritisations of outputs

The programmes we have embarked on are therefore designed to address the challenge of radical economic transformation in a context of declining growth and diminishing demand. We do not thereby recommend a single-minded approach. We advocate an integrated plan to guide the department through the current downturn and position it for the future.

This will include working towards the implementation of the recommendations of the National Development Plan: Vision 2030 as our blueprint to reducing unemployment and inequality and eliminating poverty.

Consistent with these challenges, an engagement with the nation-formation and social cohesion mandate relates to the economic and social status of the majority of black poor citizens. The transformatory electoral mandate of the 2014 election, captured in the ANC's election manifesto, and translated into outcomes, identified '*active and responsible citizenship*', which included the promotion of social cohesion, as Outcome 14. This outcome was assigned to the Ministry of Arts and Culture to lead. The core of the resolution is the need to focus on development in order to drive social cohesion.

The Delivery Agreement for Outcome 14 pertaining to arts and culture points out that while the Constitution and its Chapter Nine Institutions have laid the foundations for an inclusive and just relationship between citizens and the state at different levels of government, as well as with other public and private agencies, the effective realisation of the full participation of all citizens remains uneven.

Therefore, our focus over the medium-term will be on improving the economic competitiveness of arts and culture, whilst pursuing its developmental mandate as public "*custodian of the diverse cultures, languages and heritage of the people of South Africa and in the provision of support for the development of innovation across the full spectrum of the arts as creative, economic and social practices, and as bearers of a dynamic society.*"

Our strategy is built on existing initiatives, categorised into five areas: stimulation of demand, audience development and consumption, heritage, a cultural observatory, and human capital development.

Informed by the aforementioned policy framework, the arts, culture, social cohesion and nation building mandate is captured in its vision of *"a thriving arts, culture and heritage sector contributing to sustainable economic development, leveraging on partnerships for a socially cohesive nation."*

Pursuant to our strategy and vision, a major reprioritisation exercise has since been undertaken in order to allocate resources to specific programmes and interventions that optimise value for money. Consistent with the economic impact on budget allocations, spending baselines have since undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds are being redirected towards key priorities, both new and existing, in recognition of the relationship between the composition of spending and sustainability over the long term.

b. The Phakisa programme

To give effect to these objectives, we have adopted a strategic plan – called the *Phakisa* programme – which (loosely translated) means *'big results now'*. Phakisa demonstrates clear directional thinking and experimentation as basic value doctrines for the creation of Virtuous capital, understood as a symbiotic relationship between the value we create as a result of our interventions in the economy, the value we capture, and the value we circulate for poverty alleviation.

This is necessary because, currently, the development of artists and cultural entrepreneurs is constrained by numerous challenges including access to information, access to funding, corruption, bribery and nepotism, lack of business skills, and access to tools of production. The Phakisa programme responds to these constraints by broadly advocating a paradigm shift from resource scarcity to a value for money approach to development. If funds are not readily available, the question pivots around getting more value for money at our disposal.

What it takes:

- Getting big results now means overcoming challenges entrepreneurs face of inexperience, weak networks, a lack of credibility and visibility, a lack of workspaces, and a lack of capital.

- Getting big results now means choosing low hanging fruit.
- Getting big results now means designing programmes that add value.
- Getting big results now means removing a paper pusher mentality from departments generally, which typically make it difficult for people to access real value, and introducing innovations that encourage experimentation in development models that work.
- Getting big results now means transcending factional struggles that have cascaded from the ANC to the department and now threaten to derail the transformation agenda of the ANC.

Against the above challenges, entrepreneurs possess ideas, enthusiasm, commitment, motivation, knowledge and peers. Harnessing these characteristics to achieve big results now is not only desirable but possible. Through the Phakisa programme, the Department of Arts and Culture (DAC) will be a catalyst for entrepreneurship and a bridge between opportunity seekers and opportunity providers, providing entrepreneurs with an enabling environment and the tools to build bridges to thriving enterprises.

Within the DAC itself we are made all the more aware of the critical need for employees with the requisite skills to create more content and generate more outputs in the process of advancing towards our mandate of social cohesion and nation-building.

Our strategic approach

Framed as a set of guiding principles, our philosophy and approach to radical economic transformation builds on the NDP's vision and mission of creating a virtuous cycle of development.

As a broad strategic framework, the NDP proposes a multidimensional approach to confronting poverty and inequality. By forging a virtuous cycle of development, with progress in one area supporting advances in others, the NDP sets out a combination of interventions aimed at expanding opportunities, increasing employment, and raising incomes through productivity growth as interlinked challenges.

Social cohesion, the NDP states, needs to anchor the strategy. *"If South Africa registers progress in deracialising ownership and control of the economy without reducing poverty and inequality, transformation will be superficial. Similarly, if poverty and inequality are reduced without*

demonstrably changed ownership patterns, the country's progress will be turbulent and tenuous."

What is clear is that we cannot afford a vicious cycle that sharpens social tensions. Achieving and maintaining this balance requires a confluence of several factors. A growing economy, rising employment and incomes, falling inequality, an improving education system, fertile conditions for entrepreneurship and career mobility will contribute significantly to uniting South Africa's people.

To this effect, our approach advances the concept of Virtuous Capital (Value Creation, Value Capture and Value Circulation) as a basis for a formal social compact to help strengthen the alignment between growth, development and nation building, generating a virtuous cycle.

In essence:

- Value Creation – is the process of unlocking value through direct and immediate measures by government – given the skewed and limited nature of the market – aimed at the expansion and redistribution of opportunities?
- Value Capture – is the benefits to government from remittances to the fiscus generated by an expanding economy.
- Value Circulation – is the process by which income and opportunities are redistributed towards a more equitable, shared and sustainable growth path.

At issue in the arts and culture sector is new opportunities and new market creation. Rather than a model of sustainability that measures progress by efficiency gains alone, this model framework for radical change measures progress by the capacity of those changes to create new markets in a virtuous cycle of poverty reduction, innovation and economic expansion.

At the same time, this approach can be applied to all sectors and departments, and it is proposed that the NEC gives consideration to its deployment across the board.

What then are the components of the Phakisa programme that respond to the challenges we face?

Recasting the Mzansi Golden Economy

The limits of the MGE approach are an overriding concern with job creation over more sustainable

imperatives of new enterprise creation as a basis for employment. Recognising these limits, our new approach to the MGE is focused on the development of artists through the following interventions:

■ **Mentorship**

This stage provides information, training, experience, and networks to artists.

■ **Incubation**

Once the mentorship stage has been implemented, artists will proceed to incubators in which information, experimentation, credibility and visibility, and much needed workspaces are provided.

■ **Venture capital**

From incubation, venture capital enables artists to access information, markets and finance partners.

The South African scenario is that the glut of artists at the base of the pyramid is fragile. Their progression to the next level – that of professionals – is the core of incubator interventions. The level of master is largely the preserve of cultural elite at present. Thus progression through different levels and genres is facilitated through the staged technical and entrepreneurial development interventions of our new approach aimed at transforming artists into creative entrepreneurs.

MGE programme interventions

- **National Academy for Cultural & Creative Industries of SA (NaCISA)** - NaCISA will provide training, not necessarily in the form of bricks and mortar, as a way in which to expand knowledge and expertise to people. The main emphasis of this programme is the provision of enabling training kits that are widely accessible.
- **Creative Arts Incubators** - Once people are trained, artists will progress to incubation centres across the country. These incubators will help provide artists with the tools for production. For example a film maker will be provided with the tools (camera equipment, etc.) to make films. The tangible measure of impact of the two programmes will be more local content.
- **Venture Capital** - Our Venture Capital programme will help artists who have progressed beyond the apprentice and professional (incubator) levels to access capital and markets. It is often the case that entrepreneurs struggle to sustain business

initiatives because of financial dips. The Venture Capital fund will assist with moving people out of dips into more sustainable economic activities.

- **Tax Incentives** - Our tax incentive interventions address both immediate concerns around Section 18A of the Income Tax Act and more comprehensive medium-term interventions pursuant to a tax regime that both enables artists to build sustainable enterprises and contribute towards the tax revenues of the country. In large measure, these programmes are aimed at making it easier for artists to expand sources of funding. We are currently designing a strategy to achieve this objective.
- **Audience Development** - Our Audience Development programme will enable us to leverage our institutions and resources to create more customers who buy local content from artists.
- **Market Development** - The final leg of the MGE programme is the creation of an Mzansi Golden Market that is able to pool the buying power of government and the private sector. Both government and the private sector will source local content that artists themselves create. One method of maximising the Mzansi Golden Market is an online platform that will expand market opportunities for creative entrepreneurs
- **Loyalty programme** - The Mzansi Golden Market will be complimented by a loyalty programme aimed at incentivising and creating more markets.
- **DAC entities** - We are in the process of finalising revisions to the White Paper, the outcome of which will enable us to rationalise functions of entities within DAC. In order to get value for money, we will review our business models to both strengthen our capacity for service delivery and avoid wasteful duplication of scarce resources. There are currently a proliferation of entities and programmes within the DAC that prohibit the achievement of economies of scale and the efficient use of resources. The utility of our entities will thence be measured by their impact on social cohesion and nation building. But most importantly, these interventions will aim at making sure that our entities spend more money on delivering programmes rather than on salaries and related costs.
- **Cultural Diplomacy** - Our Cultural Diplomacy programme will introduce Africa month as a

festival of ideas. Where previously we had Africa day, we have now extended the occasion to a month-long celebration. These celebrations will be marked by performing arts including music, dance and theatre sessions, dialogues, business conferences, and culinary festivals.

- **Programme of Seasons** - This programme will continue to focus on BRICS countries. To this effect, we are currently exploring a China season which will include cultural exchange programmes aimed at sharing our heritage and ideas. In similar vein, Russia will be next.
- **Liberation Heritage Route** - The liberation heritage route programme, aimed at celebrating our struggle heroes, will be an economical journey of heritage routes widely accessible to people.
- **Unite Schools clubs** - These clubs will be an avenue for fostering our Constitutional values in schools. The programme allows learners to come up with projects at school level and increase their application of constitutional values. The programme will also look at sports projects and arts and culture projects, ultimately expanding to other projects such as environmental and health projects in schools. The schools club concept will be announced in Mandela Day, that day being the 22nd of November.
- **Language** - The Official Language Act will be implemented across government departments in our effort to encourage the use of official languages. To this effect, the department will be making sure that the implementation of the use of official languages is monitored. In that regard, one of the critical elements is making sure that we turn around the management challenges of our language board and also encourage the use of the Khoisan and San languages.
- **Libraries** - We currently have a conditional grant from National Treasury for the development and upgrade of libraries. The key priority will be rolling out the programme, especially in rural areas, to make sure that there is a culture of reading and in the process guarding against libraries becoming white elephants. To this effect, we will be developing strategies that increase their utilisation and impact.
- **Community Arts Centres** - Finally, we will be reviewing our Community Arts Centre strategy to avoid them falling into derelict states, upgrade

those that need improvement and encourage greater use of the facilities by communities by introducing more programming.

Reviewing the White Paper

In order to increase the contribution of this sector to nation building, social cohesion and economic growth and development, we are reviewing the White Paper on Arts and Culture.

Preserving our cultural heritage

We should ensure the development and promotion of indigenous languages, with a view to including the programme in the education curriculum. In this regard, indigenous language policy should seek to ensure that one African language should be compulsory in schools depending on the region. Special emphasis should be placed on promoting the arts in historically marginalised communities to ensure the building of patriotism and national consciousness.

As the ANC we should remain at the forefront of promoting and preserving our cultural heritage but ensure that all cultural practices are not in conflict with the South African Constitution with special reference to human rights and gender. This includes ensuring that all patriarchal practices are discouraged and that practices such as *ukuthwalwa* and *ukungenwa*, which are in their nature gender oppressive and abusive to women and children, must be outlawed.

We must also ensure that measures to reduce Xenophobia and to protect people from discrimination based on sexual orientation.

Measuring outputs

The key to the success of our programmes is effectively measuring their outputs within DAC. Lean processes, value for money, opportunities generated, and social cohesion are key success measures within the DAC. At stakeholder level, success measures include the number of cultural entrepreneurs impacted, meaningful opportunities created, financing provided or leveraged, and the 'feel good' factor.

Ultimately, the degree of social cohesion and nation building is the cross-cutting measure of success. Delivering our programmes requires that we think outside the box. This in turn means taking a very experimental approach to designing and driving our interventions.

11. ON SPORTS AND RECREATION

11.1 Policy pronouncements

The following policy directives have been scrutinized and pronouncements regarding sport and recreation extracted.

2012: National Development Plan

The NDP recognizes that sport plays an important role in promoting wellness and social cohesion, and treats sport as a cross-cutting issue, with related proposals in the chapters on education, health and nation building.

The NDP sets out five long-term nation building imperatives for South Africa. These are as follows:

- Fostering constitutional values
- Equal opportunities, inclusion and redress
- Promoting social cohesion across society
- Active citizenry and leadership
- Fostering a social compact

Sport and recreation contribute substantially to promoting social cohesion across society and detailed initiatives in this regard are captured in the Medium Term Strategic Framework.

It is acknowledged that sport and physical education are an integral part of a child's development and with this in mind the Department of Basic Education (DBE) and SRSA have taken important steps to reintroduce sport in schools. The NDP recommends that this should be expanded so that all schools develop and maintain infrastructure for at least two sports. All communities should have access to sport facilities and encourage the formation of amateur leagues. The NDP proposes an initiative to encourage South Africans to walk, run, cycle or play team games on the second Saturday of every month. The extensive network of formal and informal sporting clubs can be mobilized to organize these events. Expanding opportunities for participation in sport will help to ensure that sports teams represent all sectors of society. It will also ensure that South Africa produces results that match its passion for sport. The NDP recognizes health as being everyone's responsibility, including city planning officials. Many functions of a city government, like providing pedestrian walks, cycling lanes, open parks and street lighting, can have a positive effect on physical activity which is essential for health outcomes.

Although there is alignment between the NDP and the DBE Action Plan and Vision for Schooling in 2025, it does identify, amongst others, that sport, school health, arts and culture require attention. The NDP encourages sport and physical education. They are an integral part of the holistic development of a learner. Schools are where talent is identified, career choices made (including careers in sport) and habits learnt. Given the growing problem of obesity, the habit of leading an active life-style can be developed at a young age through participation in sport.

The NDP states that the best place to instill changes in lifestyles and behavior is at school. To this end the following proposals are made:

- Physical education should be compulsory in all schools.
- Every school in South Africa should employ a qualified physical education teacher.
- Schools should have access to adequate facilities to practice school sport and physical education.
- All schools should be supported to participate in organized sport at local, district, provincial and national levels.
- School health promoting teams should be established in each district and should visit schools regularly.
- A culture of wellness must be established in communities and at work.
- Every ward should have adequate facilities for basic exercise and sporting activities.
- There should be incentives for employers to provide opportunities for employees to exercise and have access to information about healthy eating.

For the transformation vision for sport to be realized, school sport must be adequately resourced. The government must ensure, that there are adequate facilities for the majority of the population to play sport and that these are adequately maintained. This does not need expensive buildings, but recreational environments with basic facilities that can function as community hubs. Communities should organize sporting events, leagues, championships and generally look after the sports facilities once they are installed or developed. Corporate investments in grassroots sport should also be encouraged.

The NDP acknowledges that in the area of sport there is a need to showcase South Africa and promote its presence and leadership on strategic issues as part of its “soft power” in international relations. Similarly, as a middle-income African country, there needs to be a more comfortable fit between critical domestic socio-economic demands, regional and continental obligations and international cooperation through BRICS (Brazil Russia India China & South Africa) and the world. Foreign policies cannot be disassociated from these demands and obligations. They should be made through engaging with domestic constituents like the business community, the Development Bank of South Africa and arts, culture and sporting bodies, which ultimately constitute the relations between countries.

In terms of building safer communities the NDP acknowledges that initiatives in this regard should involve the youth and could be run by sectors, such as education, sport, arts and culture, and social welfare, coordinated by community safety centers.

The NDP also acknowledges the significant role that sport plays with regards to fostering nation building. The NDP envisions a South Africa where all will be more conscious of the things they have in common, rather than their differences, where their shared experiences will cut across divisions of race, gender, space and class.

The second transition – Building a national democratic society and the balance of forces

Apart from the state-building and socio-economic aspects of nation-formation, we must also continue to pay attention to the role of arts and culture, religion, language, media, tradition, and sports as they evolve and contribute to an emerging and diverse South African identity. These too remain terrains of struggle, because aspects of each of these may well detract from our non-racial and non-sexist objectives, or even counteract our democratic goals.

Our approach to social transformation must therefore be people-centered by involving people in their own development, through the public provision of a minimum package of publicly delivered transfers, goods and services known as a ‘social floor’, and by providing a safety net for the most vulnerable. This includes providing basic rights to shelter, food security, health services, education, water and sanitation, and a social security network. It also includes other programs that promote the physical, social, safety and emotional

well-being of all in our society, including through culture, community safety and sports. It also involves a focus on the values of caring, excellence; cooperation and solidarity that we want to build as part of the social capital for social and economic transformation.

2014: National Election Manifesto

A phased-approach to the introduction of compulsory African languages in schools will be adopted. We will continue to promote sports, arts, heritage and culture at our schools.

11.2 Achievements

In the past eighteen years we have made significant improvement in the development of all sporting codes in the country. These include:

Physical education is now a stand-alone and a compulsory subject in schools,

- Since 1994, sport has been a unifying force in South Africa. Sporting code institutions such as the South African Council on Sport, the South African Non-Racial Olympic Committee and the National Sports Council were consolidated by building a democratic and unified sports system.
- A dedicated focus was placed on transforming this sector to increase and ensure equitable access to sporting opportunities. Sports interaction has contributed towards increased interaction across race and class.
- From being a pariah state, South Africa is now an affiliate of the Supreme Council of Sport (SCSA, Zone VI) and also participates in various international sport organisations and events, such as the Commonwealth Games, Olympic Games, Paralympic Games, World Games, and World Antidoping Agency, and the International Anti-doping Arrangement.

During the period 1994 to 2005, Sport and Recreation South Africa constructed 744 sport and recreation facilities throughout the country. South Africa has also successfully hosted a number of key international sporting events, most notably the Rugby World Cup in 1995, the Africa Cup of Nations in 1996 and the FIFA World Cup in 2010. These events strengthened the glue that keeps this country together by fostering an overarching national identity as well as a spirit

of camaraderie. They also contributed significantly towards developing South Africa as a tourist destination.

The sixth edition of the Development Indicators was published in 2012 by the Minister in The Presidency for DPME. As with previous publications, DPME employed quantitative measures to track the progress made in implementing the government policies based on data sourced from research institutions, government databases and official statistics.

In an analysis of the findings on public opinion on race relations it was found that *"at a 39% average for 2012, public perceptions about race relations have reached a record low. This could be signaling an urgent need for sustainable nation-building initiatives aimed at improving social cohesion in the country."* It is clear that sport and recreation have a role to play here in promoting social cohesion and eliminating racism while building the nation as they provide a tool for all South Africans to unite and strive towards common goals. Sport and recreation also offer a medium to recognise our common humanity in meaningful ways.

When exploring pride in being South African it was noted that national pride was at its highest (90%) during the economic boom years and at its lowest at the height of the economic crisis (65%). Since 2009, pride in being South African significantly increased. The 2012 publication on the Development Indicators recognises that the hosting of the 2010 FIFA World Cup™ could have partly contributed to this increase in national pride. Sports events commonly address the indicator of belonging and inclusion by showcasing and valuing the contributions of different groups of residents. These events can aim to create positive social capital by facilitating friendly interactions among groups who normally rarely meet. By involving marginal groups in public activities in a "safe space" sports events can promote civic engagement and participation as well. This was a finding in a 2012 African Centre for Migration and Society (ACMS) research report that studied social cohesion interventions in fourteen South African townships.

There is still a need to ensure the organisation and development of all sporting codes in the country. In this regard, we welcome the adoption of the new sports and recreation plan which seeks to ensure the development and growth of the sports sector and the welfare of the sporting fraternity.

In order to fully realise the implementation of the vision of building a competitive sporting nation we must resource sport in the country from the public fiscus at all levels. The MIG must be ring-fenced so as to facilitate investments in sports and recreation infrastructure.

The utilisation of transformation charters and score-cards to transform 'Sporting Franchises', Sporting Councils and Federations and the High Performance Centres must focus on local talent development. This includes targeting developing sporting facilities that are historically not available in other parts of the country, e.g. swimming.

The Adopted National Sport and Recreation plan (NRSP) must include the decision to implement the quotas as a means to attain sporting excellence in the medium term.

We will focus on indigenous and grassroots sport development over the next 10 years so that the need for quotas is phased out.

All sport facilities must enable access to people with disabilities and that special attention must be paid to children with disabilities.

Sport development must also include targeting an active ageing programme, and this must be done working with all sectors of society.

Social Transformation Policy Discussion Document: 2012

Since, culture, sports, recreation and heritage play integral components in the realisation of development and social upliftment through contributing to nation building and economic as well as social development, these sectors are central in the pursuance of most economic and social outcomes including job creation and economic growth.

Apart from the state-building and socio-economic aspects of nation-formation, we must also continue to pay attention to the role of arts and culture, religion, language, media, tradition, and sports as they evolve and contribute to an emerging and diverse South African identity. These, too, remain terrains of struggle, because aspects of each of these may well detract from our non-racial and non-sexist objectives, or even counteract our democratic goals.

Our approach to social transformation must therefore be people-centred by involving people in their own development through the public provision of a minimum package of publicly delivered transfers, goods and services known as a 'social floor', and by providing a safety net for the most vulnerable. This includes providing basic rights to shelter, food security, health services, education, water and sanitation, and a social security network. It includes other programmes that promote the physical, social, safety and emotional well-being of all in our society, including through culture, community safety and sports. It also involves a focus on the values of caring, excellence; cooperation and solidarity that we want to build as part of the social capital for social and economic transformation.

A key aspect of social and economic transformation is investment in the education and training and the health of all our people. The critical questions and programmes for the next few decades therefore include developing and preserving our arts, culture, sports, heritage and language to promote social cohesion and nation-building. This will require a coordinated approach, deepening political and ideological development in the ANC, deliberately developing progressive intellectuals, organic and otherwise, and ongoing engagement on the roles of media, education, arts and culture, sports and other institutions that produce and reproduce knowledge, ideas and values.

The description of multiple deprivations is an important and framing statement in that it recognises that poverty is not only defined by a lack of income (income poverty), but by the fact that people are rendered vulnerable and caught up in systemic poverty through lack of opportunity to work, limited access to quality education and training (human capability assets), through inadequate access and exposure to sports and recreation, to inadequate access to safe drinking water through not having access to physical assets such as land (physical assets), inadequate health, they live in unhealthy environments and their safety and security are not sufficiently protected and guaranteed.

In this regard, the provision of human settlements must be recognised as an integral part of local governance and necessary for the promotion of social cohesion. The development of cohesive communities requires the availing of all the necessary amenities and assets. The current local land acquisition strategies, planning and land use processes must be reviewed to ensure communities are provided with access to

basic services and integrated human development including the provision of sports, recreation, arts, culture and communal heritage.

Since the introduction of these policies, there have been some significant changes as is evident in sporting codes, in schools and in the development of integrated communities. Our people are now more tolerant of each other's diversity.

However, after 17 years efforts of sport and recreation transformation has been largely unsuccessful. In its attempts to transform and re-invent itself, the concept of transformation and the motivations for and against the need thereof have been oversimplified, often emotional, not clear and sometimes misunderstood.

To implement, manage and monitor sports transformation, a multidimensional Transformation Performance Scorecard will be used. The Scorecard will enable the sport system to measure where it is in its transformation journey, whether it is improving and to set targets. It is intended to reflect a balanced and timely view of sport and recreation performance in implementing transformation strategies in proposed dimensions.

In recognising this role, Sport and Recreation South Africa (SRSA) finalised an updated White Paper on sport and recreation and a Road Map outlining priority areas. In advancing this Roadmap, SRSA adopted the National Sport and Recreation Plan (NSRP) at the National Sport and Recreation Indaba (NSRI) held in December 2011 to address strategic focus areas to assist with broadening the base of sport and recreation in South Africa. The Roadmap and NSRP reflect on the limitations, misconceptions and perceptions of the current transformation discourse in the sporting sector and calls for a greater sense of urgency, resourcing and linkage to the schools programmes. It is therefore imperative that the Sports and Recreation Act be amended to integrate new developments and important policy intentions. Such amendments should also provide for the revision of the appointment and accountability of the South African Sport Confederation and Olympic (SASCOC) board and recreation Federations.

The NSRP emphasises Schools Sport as the 'bedrock' of South Africa's sport strategy for the coming 20 years and being key to laying the foundation for both an active and a winning nation. It is therefore imperative for all branches of the ANC and the broader movement and society at large to contribute to the NSRP. The

NSRP also facilitates for increasing representative participation levels in all levels of various sports codes, so as to foster a common South African identity and social cohesion.

The NSRP paves the way to ensure that physical education is compulsory and implemented in all schools and that schools sport contributes to the development of sport in line with national priorities. Therefore, there is a need for all branches of the ANC and the Alliance to assist in identifying sport and recreation legends and veterans to assist the country into the campaign to resuscitate schools and community sport.

Pursuant to our programme of massification of sport and recreation, we need to mobilise society at large especially local sports councils and branches of the ANC to implement grassroots sports programmes such as Modified Sport (in order to take youth out of the streets) as an important foundation for sporting codes. The purpose of the Modified Sport is to attract especially young people by modifying rules and equipment with the focus on fun and enjoyment.

The majority of municipalities in South Africa do not use the allocated budget for sport and recreation infrastructure for its mandated purpose. Therefore, all structures of the movement should be encouraged to participate fully and influence the IDP processes with regard with sport and recreation infrastructural development.

The ring-fencing of 15% of Municipal Infrastructure Grant (MIG) for building sport and recreation facilities in May 2011 was an important step to address backlogs. It for this reason that this ring-fenced 15% should be transferred to the coffers of the Department of Sport and Recreation with immediate effect as per the Resolution of the 2007 National Conference of the ANC. This should be complemented by the deployment of Community Development Workers (CDW) to assist in this exercise which will include, among other things, sport and recreation facilities audit.

In order to ensure alignment, it is proposed that all structures of sport and recreation especially sport federations and sport councils should be redemarcated in line with the Municipal Demarcation Board from 2012 to 2013 for integrated and seamless planning and service delivery.

All branches of the ANC, Alliance and fraternal organisations should embark on a sustained campaign

to establish and strengthen local sport and recreation councils. Branches of the ANC should mobilise SANCO local structures, COSATU locals, and SACP districts as well as broader society to establish Sport and Recreation Subcommittees where they operate. This should be coupled with encouraging cadres of our movement to take an interest in sport including standing and be elected and be active in Sport and Recreation structures from local, district, regional, provincial and national levels.

This should include, but not be limited to, strengthening the delivery system of sport and recreation through the empowerment of the people from our localities as well as the South African Sport Confederation and Olympic Committee (SASCOC) and Sport Councils at ward, local, regional, and provincial level; and in the end work towards greater cooperation with strategic partners between our branches, SRSA, the Police, Defence Force, and other related structures, including Correctional Services that will enhance sport participation while in service or serving a term as well as the employment of athletes giving them a career while offering opportunities for them to train at an appropriate level.

All this will also be successful if our branches and the ANC government focus on a well-coordinated education and training programme and functional Athletes' and Coaching system. SRSA must as a matter of urgency establish an Athletes' and Coaches' Commission to pave the way towards the development of sport and recreation leaders that will adhere to sound governance principles and guide South African sport and recreation to higher and new heights.

A key proposal in the National Sport and Recreation Plan (NSRP) is the Transformation Charter which is aimed at establishing a competitive and demographically representative sport system guided by a value set based on equal opportunity, fairness, just behaviour, equitable resource distribution, and empowerment. In developing and anticipating the implementation of the Charter, SRSA should implement grassroots based sport development, talent identification and academies so that in the long run the quota system is abandoned. Such implementation must also include Transformation Scorecards and Monitoring and Evaluation systems and bodies.

In order to coordinate and monitor the implementation of sports and recreation oriented plans it is proposed that the ANC establish a National and Sports Recreation

Desk as a matter of urgency as agreed by the 52nd National Congress. The work of Sports and Recreation Desk should be complemented by local sports and recreation councils. This Sport and Recreation machinery should be charged with monitoring and evaluating the implementation of the social cohesion programme of the STC whilst also conducting audits of community members especially the youth who have been involved in sport or/and having some skills in athletics and coaching to enroll in the SRSA database of athletes and coaches.

To bring about equity and fight poverty the state would do well in putting in place a platform or social floor to facilitate for sustainable livelihoods. This can be achieved by; (1) the deepening of the social protection system, (2) a strengthening of delivery in education and health services, (3) a vigorous promotion of sports, arts, recreation, culture and heritage, (4) improved access (especially to young mothers) to social services, and (5) reduced cost of living. Such responsive measures must be complemented by proactive labour market measures which should link the poor and potentially labour active social grant recipients to employment opportunities.

This will require that the state determines and implements a minimum and acceptable package of quality and publicly delivered transfers, goods and services so as to enable households to access opportunities and engage in sustainable livelihoods. This may include access to quality and free education, health, water, sports and recreational opportunities, affordable and accessible transport and access to affordable quality nutrition. The implementation of such a package of services would ensure improved livelihoods for vulnerable individuals, families and households. This would contribute to the reduction of the number of people living below the poverty line, and would facilitate for human capital development and upward class mobility.

Additional programmatic responses which engage particularly young people in the sports and recreation sector will be needed to complement the legislative and policy level proposals to which end additional local level sports and recreation facilities have to be built.

The functionality of Sport and Recreation South Africa (SRSA) is premised on the Constitution of the Republic of South Africa, Act 108 of 1996, which guarantees the

right to social security in Schedule 27. The Constitution affirms the democratic values of human dignity, equality and freedom. In line with these Constitutional imperatives, SRSA has been assigned the powers and functions to develop and implement national policies and programmes regarding sport and recreation in the country.

The third revision of the White Paper addressed the afore-mentioned issues. This White Paper was finalised in 2012 together with the development of a Road Map that outlined priority areas for sport and recreation. An increased and focused commitment at all levels of sport would be advantageous for the country since this could reap greater health, economic, social and international benefits. This being the case, government must consider expenditure on sport and recreation as a worthwhile, and indeed a necessary investment in the future of our country and its people.

On 18th May 2012 Cabinet approved a NSRP for South Africa. This plan covered a period of more than 10 months and included contributions from all role-players that comprise the sports sector in the country. The NSRP, underpinned by a declaration of intent, was adopted at the National Sports Indaba that took place in Midrand from 21 to 22 November 2011 with the theme: *"From policy to practice"*.

The strategic focus of the NSRP is to reconstruct and revitalise the sport and recreation sector for an active and winning nation whilst improving the quality of lives of all South Africans. In addressing these challenges the NSRP provides the framework for a coordinated, integrated and aligned national sports system within which all component parts are focused towards a common set of goals and objectives.

This however has become an unfunded mandate. In the initial Medium Term Expenditure Framework period the SRSA requires approximately R10b for the 1st year reducing to R7.8b by the 2nd year and stabilising at R4b annually to roll-out and implement the entire plan for the 20 year life cycle of this plan. This will leave a lasting legacy for the country in addressing facility backlogs, the training of coaches, and the establishment of sustainable clubs and so on. A phased-in approach has been designed to ensure that various aspects can be implemented on an incremental basis.

Considering the prevailing financial situation, the Department realises that key funding priorities need to be identified and in this regard the following are

proposed:

- Development and maintenance of sport and recreation facilities;
- Transformation in sport;
- School sport;
- Community sport; and
- Recreation.

The basis for selecting these priorities was the fundamental value placed on them in both the NDP and in the Medium Term Strategic Plan (MTSF).

11.3 Challenges

Organisational factors that influence our ability to effectively implement programmes and policies include:

- Inadequate financial resources to address historical backlogs and current needs;
- Sectorial capacity constraints;
- Limited revenue streams for sport;
- A politically incorrect view that sport and recreation is not an important portfolio; and
- A skewed participation landscape with severe accessibility limitations.

For the transformation vision for sport to be realised, school sport must be adequately resourced. A re-configuration of the existing funding models is required to fully implement the National Sport and Recreation Plan and in so doing to effectively address the policy pronouncements made by the ANC.

The government must ensure that there are adequate facilities for the majority of the population to play sport and that these are adequately maintained. This does not need expensive buildings, but recreational environments with basic facilities that can function as community hubs. Communities should organise sporting events, leagues, championships and generally look after the sports facilities once they are installed or developed

As the MTSF articulates government's commitment to implementing the NDP and delivering on its electoral mandate as well as its Constitutional and statutory obligations, it is critical that these priorities are adequately resourced. Outcome 14, where sport and

recreation feature prominently, acknowledges that despite progress since 1994, the South African society remains divided. The privilege attached to race, class, space and gender has not yet been fully reversed, and the quality of services continues to be affected by who you are and where you live. Apartheid spatial patterns mean limited opportunity for sharing of space across race and class and thus there is still limited interaction across race. The sharing of common space across race, space and class will be enabled through instituting sustained community dialogues, improving public spaces and services and elevating sport at both community and school levels.

Sport and recreation contribute notably in sub-outcome 3 of Outcome 14 (Promoting social cohesion across society through increased interaction across race and class) and have committed to the following for the MTSF:

- Increase the access of South African citizens to sport and recreation activities.
- Provide mass participation opportunities.
- Advocate transformation in sport and recreation.
- Provide adequate sport and recreation facilities and ensure that these are maintained.
- Develop talented athletes by providing them with opportunities to excel. Support high performance athletes to achieve success in international sport.

The Ministry and the Department have identified the following key critical success factors to achieve these priorities:

- Consolidation of the Municipal Infrastructure Grant (MIG) into a new National Grant administered by Sport and Recreation South Africa. This will radically change the sport facilities landscape of the country and contribute towards addressing the imperative of shared public spaces.
- Acceleration of the transformation agenda and the imposition of penalties to non-compliant sport and recreation bodies which will radically change how transformation in sport has been approached in the last 20 years.
- Allowing Sport and Recreation South Africa to be a lead department in driving the delivery of school sport which will radically change how school sport is being approached and how it is delivered in the country.

- Given the historical empirical evidence that sport plays a pivotal role in instilling positive behaviour, encouraging healthy lifestyles, and promoting social cohesion and nation building, the current funding models and the National Lotteries Act must be reviewed. A ticket levy is proposed and the Draft Bill on the Ban on Alcohol Advertising needs to be reconsidered.
- The recreation portfolio has in the past generally been neglected and with a heavy focus on formalised sport it suffered severely. The Committee should take a concrete a clear resolution on recreation as key to the promotion of healthy lifestyles.

11.4 Strategic Interventions

The NDP recognises that sport plays an important role in promoting wellness and social cohesion, and treats sport as a cross-cutting issue, with related proposals in the chapters on education, health and nation building. The NDP sets out five long-term nation building imperatives for South Africa. These are as follows:

- Fostering constitutional values
- Equal opportunities, inclusion and redress
- Promoting social cohesion across society
- Active citizenry and leadership
- Fostering a social compact

It is acknowledged that sport and physical education are an integral part of a child's development and with this in mind the Department of Basic Education (DBE) and SRSA have taken important steps to reintroduce sport in schools. The NDP recommends that this should be expanded so that all schools develop and maintain infrastructure for at least two sports. All communities should have access to sport facilities and encourage the formation of amateur leagues. The NDP proposes an initiative to encourage South Africans to walk, run, cycle or play team games on the second Saturday of every month. The extensive network of formal and informal sporting clubs can be mobilised to organise these events.

Expanding opportunities for participation in sport will help ensure that sports teams represent all sectors of society. It will also ensure that South Africa produces results that match its passion for sport.

The NDP recognises health as being everyone's responsibility, including city planning officials. Many functions of a city government, like providing pedestrian walks, cycling lanes, open parks and street lighting, can have a positive effect on physical activity which is essential for health outcomes.

The NDP states that the best place to instill changes in lifestyles and behaviour is at school. They are an integral part of the holistic development of a learner. Schools are where talent is identified, career choices made (including careers in sport) and habits learnt. Given the growing problem of obesity, the habit of leading an active life-style can be developed at a young age through participation in sport.

To this end the following proposals are made:

- Physical education should be compulsory in all schools.
- Every school in South Africa should employ a qualified physical education teacher.
- Schools should have access to adequate facilities to practice school sport and physical education.
- All schools should be supported to participate in organised sport at local, district, provincial and national levels.
- School health promoting teams should be established in each district and should visit schools regularly.
- A culture of wellness must be established in communities and at work.
- Every ward should have adequate facilities for basic exercise and sporting activities.
- There should be incentives for employers to provide opportunities for employees to exercise and have access to information about healthy eating.

Although there is alignment between the NDP and the DBE Action Plan and Vision for Schooling in 2025, it does identify, amongst others, that sport, school health, arts and culture require attention. In divided societies like South Africa, levels of trust are low and groups tend to prioritise their immediate sectoral interests. The National Planning Commission (NPC) suggests the public signing of an agreement which represents an important symbolic commitment by leadership and a public statement of what is important.

It is further suggested that this should not be a once-off event. Leaders of sport and faith-based organisations, unions, non-governmental organisations (NGOs), cooperatives, student organisations, governing bodies, traditional leaders and traditional healers should discuss the agreement and address obstacles to implementation.

Sport and recreation teach discipline and are an integral component of a healthy lifestyle. They enable South Africans to share common space. But the conditions for a culture of physical activity also need to be addressed. For example, authorities must ensure that the design of cities, suburban areas and rural villages encourages people to run, walk and cycle, as mentioned above.

The NDP proposes that every ward should have adequate facilities for basic exercise and sporting activities and suggests improving public services and spaces as well as building integrated housing and sports facilities in communities to ensure sharing of common spaces across race and class. It also encourages a holistic approach to low-cost housing developments that include local recreational facilities. Daily interactions on an equal basis build social cohesion and common understanding. These interactions will be promoted effectively when South Africans share more public spaces, as was the case briefly during the 2010 FIFA World Cup.

The NDP recognises water as being a foundation of activities for tourism and recreation and reinforces the importance of its protection. The NDP also highlights the importance of maintaining ecosystem services such as those delivering cultural benefit, such as recreational opportunities, as fundamental to achieving South Africa's social and economic development objectives.

For the transformation vision for sport to be realised, school sport must be adequately resourced. The government must ensure, that there are adequate facilities for the majority of the population to play sport and that these are adequately maintained. This does not need expensive buildings, but recreational environments with basic facilities that can function as community hubs. Communities should organise sporting events, leagues, championships and generally look after the sports facilities once they are installed or developed. Corporate investments in grassroots sport should also be encouraged.

The NDP acknowledges that in the area of sport there is a need to showcase South Africa and promote its presence and leadership on strategic issues as part of its “soft power” in international relations. Similarly, as a middle-income African country, there needs to be a more comfortable fit between critical domestic socio-economic demands, regional and continental obligations and international cooperation through BRICS (Brazil Russia India China & South Africa) and the world. Foreign policies cannot be disassociated from these demands and obligations. They should be made through engaging with domestic constituents like the business community, the Development Bank of South Africa and arts, culture and sporting bodies, which ultimately constitute the relations between countries.

In terms of building safer communities the NDP acknowledges that initiatives in this regard should involve the youth and could be run by sectors, such as education, sport, arts and culture, and social welfare, coordinated by community safety centres.

It is clear from the excerpts above taken from the NDP that sport and recreation play a pivotal role in promoting wellness and social cohesion and that benefits can be derived by both the education and health sectors. The NDP also acknowledges the significant role that sport plays with regards to fostering nation building. The NDP envisions a South Africa where all will be more conscious of the things they have in common, rather than their differences, where their shared experiences will cut across divisions of race, gender, space and class. SRSa has heeded the call to prioritise the NDP and a strategic decision has been taken to support identified initiatives that contribute directly to the vision of the NDP.

Sport and recreation infrastructure

The ANC 2007 National Conference in Polokwane resolved that funding for sport and recreation currently under the Municipal Infrastructure Grant (MIG) be diverted to the Departments of Education and Sport and Recreation. However, Sport and Recreation Infrastructure is still a challenge.

The ring-fencing of 15 % of the Public Municipal Service Infrastructure component of the Municipal Infrastructure Grant (MIG) towards building sports facilities in rural areas, as gazetted in May 2011, was an important step to addressing the shortage of sports infrastructure in municipalities. However, the funding

mechanism does not take into consideration the significant funds needed for the maintenance costs of these. As SRSa remains adamant that the most feasible avenue to address this issue is in the form of dedicated funding, it has approached National Treasury to consider the establishment of a Conditional Grant, managed by the Department and dedicated to provide adequate sport and recreation facilities. The original planning was that the transfer of the MIG funding would be allocated to the SRSa budget in the 2014/15 financial year. This has been delayed by a global review of grant funding.

Currently municipalities are expected to deliver sport and recreation through the Municipal Infrastructure Grant. Our observations and monitoring of the spend on this ring-fenced funding over the past two financial years indicates that most municipalities, specifically the rural municipalities (which ironically need the sport and recreation facilities the most,) do not spend this ring-fenced funding on its intended purpose.

We accordingly proposed the creation of a new Building for Sport and Recreation Grant made up of the currently identified and ring-fenced funding. The Minister of Finance is called upon to support this initiative. The proposal is that the ring-fenced amounts should be consolidated and transferred to Sport and Recreation South Africa to administer. No new funds are required. This will enable sport and recreation facilities to be rolled-out directly and through intermediaries (these will include state entities with capacity to deliver in the building and maintenance environment and non-profit bodies such as the Sports Trusts and Dreamfields, recognised sport and recreation bodies, municipalities and the private sector).

The National Sport and Recreation Plan should be supported by adequate and well maintained sport and recreation facilities including in all schools of the Republic of South Africa.

Transformation in sport and recreation

There has recently been a greater sense of urgency, pro-active and coordinated engagement with regards to the transformation of South African sport. The main tool used is the Transformation Scorecard as reflected in the NSRP. The Transformation Scorecard is a multi-dimensional model defining an entity’s transformation profile in more than one area.

Under the leadership of the Eminent Persons Group (EPG) appointed by Minister Mbalula, a pilot transformation audit of five Federations (Rugby, Cricket, Football, Netball and Athletics) was conducted at the end of 2013. A report in this regard was released at a media briefing on 25 March 2014.

In appointing this Group the Minister took into account issues of representativity, gender, disability and experience and in the South African and international sporting context.

The decision to appoint the Eminent Persons Group was taken after wide consultation within the Sporting and Recreation community and eventually the adoption of a resolution by the Sport and Recreation Indaba on the need to monitor and evaluate the implementation of the Transformation Charter with its stated scorecard by the federation.

The completion and presentation of the pilot evaluation of transformation status of the five selected sports codes was an important milestone and a stepping stone for sports transformation. This preliminary multi-dimensional assessment goes beyond the traditional focus on racial representivity in our national teams to include other critical variables such as gender, access to infrastructure and participation opportunities, governance practice, employment equity and leadership diversity, preferential procurement as well as the demographic profiles of coaches and referees in these codes.

The following resolutions were adopted in this regard:

- Committee adopts the steps being taken to bring about total transformation in sport and recreation in South Africa.
- The Committee implores all ANC structures to launch all-round campaigns for the creation of transformation forums and embarking on programmes to revitalize transformation processes in all sporting codes from local to national levels.
- The Committee adopt a resolution making it a prerequisite and mandatory for all sporting codes to publish the outcomes of their transformation plans quarterly in line with the score-card and also submit quarterly reports to the Minister of Sport and Recreation.
- The Committee adopts a resolution for government and private sector to increase to

funding of activities and action plans arising from the findings and recommendations of the Eminent Persons Group.

School sport and compulsory physical education

Progress has been made in the implementation of the Resolutions of the 52nd National Conference with regard to school sport and compulsory physical education in all schools of the Republic of South Africa.

The School Sport programme and compulsory physical education will assist the government to achieve its national goals such as fight against crime and communicable and non-communicable diseases including lifestyle diseases, and increasing the level of school attendance and pass rate.

The NDP pertinently states that the best place to instill changes in lifestyles and behaviour is at school. To this end the following proposals are made:

- Physical education should be compulsory in all schools.
- Every school in South Africa should employ a qualified physical education teacher.
- Schools should have access to adequate facilities to practice school sport and physical education.
- All schools should be supported to participate in organised sport at local, district, provincial and national levels.
- School health promoting teams should be established in each district and should visit schools regularly.
- A culture of wellness must be established in communities and at work.
- Every ward should have adequate facilities for basic exercise and sporting activities.
- There should be incentives for employers to provide opportunities for employees to exercise and have access to information about healthy eating.

School Sport has been identified as a key priority over the next MTSF. This, we believe, is the bedrock of our entire sport and recreation development continuum. However resources for this critical programme have not been made available to roll-out this programme to scale. The debate should support the critical

matter of funding for school sport. Our firm proposal is that funding for sports attire, equipment and school competitions be made available to SRSA. It is estimated that the funding for this programme will cost approximately R870 million annually.

There are currently loosely organized and erratic tournaments played over the weekends and holidays. They are largely unsupported and generally not funded. The existing Community Based Sport and Recreation Hubs service a fraction of the need in communities. The funding required (R17 million) will be utilized to support these tournaments in major townships in the Republic and also to fund the Rural Sport Improvement Project being implemented with the House of Traditional Leadership.

In this regard, we resolved to:

- Make physical education a stand-alone subject or learning area in all schools of the Republic.
- Make physical education/training compulsory. This should be implemented/ practiced at least 2½ hours per week in all schools.
- The Department of Higher Education in collaboration with the Department of Basic Education, including Sport and Recreation, should draft and adopt a Policy for Sport and Recreation Education and Curriculum for Teacher Training Colleges as well as a Policy for the Recruitment of Sport and Recreation Educators as to assist as coaches in the school sport programmes and facilitators in the physical education programmes. All learners should be obliged to choose at least one or more sporting or art and culture activities at registration at the beginning of each year.
- All ANC structures from the branch to province and society should be mobilised to give full support to the school sport programmes including the school sport competitions.

Alternative funding sources

SRSA acknowledges the funding pressures currently restraining government, and as such the possibility of two alternative sources is being tabled for consideration. The current debates and the Draft Bill on the Ban on Alcohol Advertising will negatively affect revenue streams to sport, arts and culture. We believe that the Bill should be converted into a Money Bill where a 2.5% levy is imposed that will constitute

a fund to support health promotion campaigns, sport, arts and culture as well as educational programmes relating to the dangers of alcohol abuse.

If the Draft Bill proceeds in its current form it is inevitable that there will be devastating consequences for the sport and recreation sector. The alcohol industry, which has historically been very supportive of sports programmes through generous sponsorship initiatives, will undoubtedly withdraw this support when the marketing benefits associated with sponsoring sport cease with the sponsorship deals. This happened when the ban on tobacco advertising was instituted and it would be naive to assume that the effect with the ban of alcohol advertising would be any different.

It is essential that a contingency plan is put in place. The Industry Association for Responsible Alcohol Use (ARA) was established in 1989 by the major manufacturers of alcohol beverages in South Africa to reduce alcohol-related harm through combating the misuse and abuse of alcohol and promoting only its responsible use. The ARA is registered as a non-profit organisation with the Department of Social Development. The Association's members include the major manufacturers of alcohol beverages in South Africa, such as SAB, Distell, brandhouse, KWV, Pernod-Ricard and DGB. Four thousand wine producers and 60 cellars are also members of the ARA and more than 180 distributors and retail chains such as Tops, Makro and Diamond Liquors are associate members.

The ARA acknowledges that the industry has a responsibility to make every effort to reduce alcohol-related harm and since its establishment, its initiatives in this regard have had three focus areas:

1. Effective self-regulation by member companies and other alcohol beverage manufacturers, distributors and retailers;
2. partnerships with government, public health bodies and other relevant stakeholders to combat abuse; and
3. education on the nature and risks of alcohol abuse, and on the responsible use of alcoholic beverages by those not at risk who have made the decision to drink alcoholic beverages.

Anticipating the considerable loss of revenue that will inevitably follow the promulgation of the ban on alcohol advertising, it is proposed that the government departments negatively impacted by the new

regulation be compensated through this fund that is already in existence. A 2% levy is suggested.

A second alternative source of funding is a Sport Ticket Levy to be collected on all sport tickets being sold for major classified tournaments and competitions including on registration fees and participation fees for major tournaments and competitions being hosted in the Republic.

We envisage a 5% levy on all tickets. This new revenue stream (conceivably implemented as an ear-marked levy through SARS) will contribute towards grass roots sports development programmes including mass participation. Furthermore it will contribute to the funding of the NSRP considering the expenditure ceiling that National Treasury and Cabinet have put in place. The Tourism industry has a similar levy levied on hotel bills and air travel tickets.

The Committee is therefore requested to support the new funding streams. The operational mechanism can be finalised with the National Treasury.

11.5 Recommendations

The ANC Social Transformation Committee (STC) in its discussion and dialogue should consider the following policy proposals on Sport and Recreation:

- Support the proposal that the MIG ring fenced amounts for facilities should be consolidated in full and transferred to Sport and Recreation South Africa to administer.
- Adopt the steps being taken to bring about total transformation in sport and recreation in South Africa.
- Take note of the funding needs of Sport and Recreation South Africa and consider the allocation of additional funding.
- Consider the proposal to revise the draft bill on the ban on alcohol advertising and to lobby for an allocation to sport from the existing Industry Association for Responsible Alcohol Use fund.
- Support the proposal of a 5% levy on all sports tickets sold.
- Lobby the Provincial Treasuries allocate adequate resources from their provincial equitable share to the provincial departments responsible for sport and recreation.

12. ON WOMEN

Women make up approximately 52% of the population of our country. Women have suffered the most and continue to be faced with the burden of providing for children and building families. This includes the burden of patriarchy and continued forms of abuse against women in society by their partners. Many of them still remain outside of the economy, including access to economic opportunities.

Despite the above challenges, the ANC government working together with society, women and private sector has ensured that women are now actively involved in the decision making structures in society and in government. Some key initiatives include progress towards achieving the 50/50 parity mark. In addition, we will continue to ensure that women play a more meaningful role in the growth and development of communities and society at large. We will continue to fight the scourge of violence and abuse against women.

As part of implementing our policy of radical social and economic transformation, we will implement programmes geared towards the development of women, in particular those that live in abject poverty, the disabled and the most vulnerable in society. This includes access to opportunities, access to free basic services; systematically fighting patriarchy in society; increasing access to economic opportunities for women, including targeted procurement for women companies and SMME's; ensuring that we work with the rest of society, in particular the private sector, so that women are part of decision making structures in society; and ensuring that women are part of the mainstream economy. In the latter regard, we welcome the proposal by the Ministry on Women, which we must engage to ensure that it achieves its goals.

13. ON DISABILITIES

We are making strides in ensuring that the disabled are protected and supported. This includes the establishment of a Ministry dedicated and focusing on the disabled in society. However, we note that whilst there is progress towards addressing challenges facing the disabled in society, there has been a lack of enabling facilities to support the disabled such as the development of braille and sign language.

We have therefore taken decisions to implement policies and programmes geared towards the protection and promotion of the rights of people with

disabilities, including embarking on a campaign for the protection of the disabled in society with relevant stakeholders; ensuring that we make it compulsory that all public buildings make it easy for the disabled to access such facilities; and promoting the participation of people with disabilities at all levels of the movement and in all spheres of governance.

We are also making progress towards mainstreaming disabled people through establishing full services in schools and prioritizing the establishment of special needs schools for specific disabilities where the need arises. This includes the development of mechanisms at the Early Childhood Development (ECD) level in order to be able to detect the needs and challenges of a disabled child at an early age. We must also develop mechanisms at the Early Childhood Development (ECD) level in order to be able to detect the needs and challenges of a child at an early age. We need to establish stimulation centers for disabled children that needs this specialized intervention.

We must consider the establishment of a commission, or a structure, focusing on the disabled in society.

14. ON WATER PROVISION

As part of our developmental efforts, we are required to protect natural resources such as water. This is so because water is a scarce commodity. Over the past twenty years there have been efforts made by government to ensure that we preserve water and also produce clean quality water. Hence our vision as the ANC remains that of ensuring that people have access to clean and quality water.

Over the next fifteen years we will embark on a process of reviewing current legislation to facilitate the removal of unused and inequitable allocations from entitlement holders in order to ensure a more equitable distribution of water; abolish water trading and change the funding model for the development and maintenance of infrastructure; further explore conservation initiatives including restrictions on the number of golf courses within a particular radius; develop small dams especially in rural areas as part of water conservation; and urgently provide every household with quality, clean water which in the short term may include portable purification tanks and water tanks for rain water harvesting to promote food security.

15. ON THE SOCIAL WAGE AND ALLEVIATING POVERTY

As indicated in this document, our aim is to eliminate poverty and inequality. Whilst over the past twenty years of Freedom and Democracy, significant strides have been made in building a socially inclusive society, reducing poverty, and closing the gap between the poor and the rich, we still face challenges of race, gender and slow economic growth which results in many being excluded from the economy.

In order to respond to the above challenges, we will have to strengthen our resolve to implement the National Development Plan, Vision 2030 and this will include the development of a comprehensive anti-poverty strategy that will help eliminate poverty and reduce inequality in society.

Key strategies for the next fifteen years will ensure the elimination of poverty, and the reduction of unemployment and inequality. In response to challenges of social wage, we took a decision at the 2007 ANC 52nd National Conference to equalise the pensionable age for the older persons. This has assisted in responding to some of the immediate challenges when it comes to ensuring that the vulnerable, especially those that need to be assisted by the state, are able to contribute towards the development and growth of their families.

Thus far, and in particular since Polokwane, we have completed the Consolidated Government Document that sets targets, coverage of social assistance and social insurance. We have also been able to target more than 15 million people in this country benefit from social grants which allows the care-givers of children, the aged and those with disabilities to fulfill their basic needs and sustain their households. Hence, more than 94 % of our people have access to water, 84% have access to sanitation, 81 % of our people have electricity 71% of South Africans have refuse removed from their homes and that we have supplied more than 3 million of households with formal dwellings.

In response to the challenges of poverty, inequality and unemployment, we have since 2007 developed a Comprehensive Social Security strategy, which includes the expansion of the assets base of the poor through housing, small business and land reform programmes.

We have also increased the capacity of the state to ensure the acceleration of the implementation of the

comprehensive social security strategy towards the provision of free basic services for the poor, quality free education for poor households, and passenger transport subsidies.

We also increased access to social grants to children and older persons as outlined in the Consolidated Government Document on Comprehensive Social Security.

16. ON MILITARY VETERANS

The social and economic exclusion of Military Veterans, in particular Non Statutory Force (NSF), has not received priority attention from government departments. While the Department of Military Veterans has been established, there is a need to escalate the provision of a comprehensive basket of services (social and economic) by all state departments and parastatals.

Hence, the Department of Military Veterans must be strengthened to set up mechanisms to monitor the implementation and enforce compliance by all structures in line with Military Veterans Act.